

AGENDA

Utah Counties Indemnity Pool Board of Directors Meeting

Wednesday, August 22, 2018, 8:30 a.m.

Courtyard Marriott, 1294 S Interstate Drive, Cedar City

8:30	Open Meeting, Pledge of Allegiance	Bruce Adams
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ITEM	ACTION	
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1.	Review/Approve Weber County Appointment to the Board	Bruce Adams
2.	Review/Excuse Board Members Absent	Bret Millburn
3.	Review/Approve June 28, 2018 Meeting Minutes	Karla Johnson
4.	Ratification/Approval of Payments and Credit Card Transactions	Karla Johnson
5.	Review/Approve Second Quarter Financial Statements	Sonya White
6.	Review/Approve UAC/UCIP Lease Agreement	Johnnie Miller
7.	Review/Approve Board Compensation Policy Amendments	Sonya White
8.	Review/Approve Coverage Addendum Amendments	Johnnie Miller
9.	Review/Approve Internal Accounting Controls Policy Amendments	Sonya White
10.	Review/Approve Pre-Loss Legal Assistance Program Policy	Johnnie Miller
11.	Review/Approve Reimbursement Policy Amendments	Sonya White
12.	Review/Approve County Related Entities Membership	Mike Wilkins
13.	Review/Approve 2019 Actuarial Rate Analysis	Johnnie Miller
14.	Review/Approve 2019 Rates and Estimated Member Contributions	Sonya White
15.	Set Date and Time for Closed Meeting to Discuss Pending or Reasonably Imminent Litigation	Bruce Adams
16.	Action on Litigation Matters	Johnnie Miller
17.	Set Date and Time for Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual	Bruce Adams
18.	Action on Personnel Matters	Deb Alexander

INFORMATION		
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19.	Chief Executive Officer's Report	Johnnie Miller
20.	Other Business	Bruce Adams

Electronic Meeting Notice: 515-604-9807, Participant Passcode: 675642 Anchor Location: 5397 S Vine, Murray, UT

RESOLUTION NO. 36-2018

**RESOLUTION APPOINTING A WEBER COUNTY
REPRESENTATIVE TO THE GOVERNING BOARD OF THE
UTAH COUNTIES INDEMNITY POOL**

WHEREAS, the bylaws of the Utah Counties Indemnity Pool ("UCIP") provide that Weber County has the authority to appoint one member to UCIP's Board of Directors; and

WHEREAS, Commissioner James Ebert has been serving in that capacity for some time but is electing to give up his seat on the board effective August 1, 2018; and

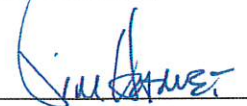
WHEREAS, the Board of County Commissioners of Weber County has determined that Commissioner Scott Jenkins should serve in that capacity; and

WHEREAS, Commissioner Jenkins is willing to serve as Weber County's representative on UCIP's Board of Directors and the Commission desires to appoint Commissioner Jenkins to that position;

NOW THEREFORE, BE IT RESOLVED, by the Board of County Commissioners of Weber County, Utah, that Commissioner Scott Jenkins be appointed as Weber County's representative to serve on the UCIP's Board of Directors until another is appointed in his stead in accordance with Weber County policies and UCIP's bylaws.

RESOLVED this 31st day of July, 2018.


BOARD OF COUNTY COMMISSIONERS
OF WEBER COUNTY

By 
James H. "Jim" Harvey, Chair

Commissioner Ebert voted
Commissioner Harvey voted
Commissioner Jenkins voted

aye
aye
absent

ATTEST:


Ricky Hatch, CPA
Weber County Clerk/Auditor

UTAH COUNTIES

INDEMNITY POOL

BOARD OF DIRECTORS' MEETING MINUTES

August 22, 2018, 8:30 a.m.
Courtyard Marriot, 1294 S Interstate Drive, Cedar City, Utah

BOARD MEMBERS PRESENT

Bruce Adams, *President*, San Juan County Commissioner
Bret Millburn, *Vice President*, Davis County Commissioner
Karla Johnson, *Secretary/Treasurer*, Kane County Clerk/Auditor
Alma Adams, Iron County Commissioner
Deb Alexander, Davis County Human Resources Director
William Cox, Rich County Commissioner
Victor Iverson, Washington County Commissioner
Scott Jenkins, Weber County Commissioner
Mark Whitney, Beaver County Commissioner
Mike Wilkins, Uintah County Clerk/Auditor

BOARD MEMBERS ABSENT

Blaine Breshears, Morgan County Sheriff
Dale Eyre, Sevier County Attorney
James Kaiserman, Wasatch County Surveyor

OTHERS PRESENT

Johnnie Miller, UCIP Chief Executive Officer
Sonya White, UCIP Chief Financial Officer

Call to Order

Bruce Adams called the meeting of the Utah Counties Indemnity Pool's Board of Directors to order at 8:30 a.m. on August 22, 2018 and welcomed those in attendance. Bruce Adams led the Pledge of Allegiance.

Review/Approve Weber County Appointment to the Board

Bruce Adams welcomed Commissioner Scott Jenkins to the Utah Counties Indemnity Pool's Board of Directors. Victor Iverson made a motion to approve Commissioner Jenkins as the Weber County appointment to the Board. Karla Johnson seconded the motion, which passed unanimously.

Review/Excuse Board Members Absent

Bret Millburn made a motion to excuse Blaine Breshears, Dale Eyre, and James Kaiserman from this meeting. Deb Alexander seconded the motion, which passed unanimously.

Ratification/Approval of Payments and Credit Card Transactions

Karla Johnson reported that she has reviewed the payments made, the payments to be made and the credit card transactions of the Pool as of August 22, 2018 (see attachment number one). Johnson made a motion to approve the payments made, the payments to be made and the credit card transactions as presented. Mike Wilkins seconded the motion, which passed unanimously.

Review/Approve April 19, 2018 Meeting Minutes

UTAH COUNTIES INDEMNITY POOL

5397 S Vine Street, Murray, UT 84107-6757
(801)565-8500 or ucip.utah.gov

The draft minutes of the Board of Directors meeting held June 28, 2018 were previously sent to the Board Members for review (see attachment number two). Karla Johnson made a motion to approve the June 28, 2018 Board of Directors meeting minutes as written. Deb Alexander seconded the motion, which passed unanimously.

Review/Approve Second Quarter Financial Statements

Sonya White presented the second quarter 2018 financial statements to the Board (see attachment number three). White reported, as shown on the Statement of Net Position, Assets and Liabilities total \$18M, a decrease of \$1.2M from the prior quarter primarily due to paid losses of \$684,000 and administrative costs of \$267,000. White reported, as shown on the Statement of Revenues, Expenses and Changes in Net Position, at mid-year 2018, operating income is at 52%, underwriting expenses are at 35% and administrative expenses are at 49%. UCIP's Net Position at the end of the second quarter is: \$5,851,732, an increase of \$930,573 from the Net Position at the beginning of the year. White reported that the Cash Flow Statement provides the Board with the effects of cash during the reported period. Mike Wilkins made a motion to approve the second quarter financial statements as prepared and presented. Karla Johnson seconded the motion, which passed unanimously.

Review/Approve UAC/UCIP Lease Agreement

Johnnie Miller presented a draft Office Lease Agreement, based on a memo UCIP received from the Utah Association of Counties (UAC) CEO, Adam Trupp, shortly after UCIP moved in to the building (see attachment number four). Due to scheduling issues, Miller was unable to meet with either Trupp or UAC CFO Jill Brown prior to this Board meeting to review the draft Agreement. Bret Millburn inquired as to why UCIP has been in the UAC building for three years and still does not have an official executed agreement. Miller stated that circumstances beyond his control have interfered with the process. Mark Whitney opined that a memorandum of understanding (MOU) should be sufficient for UAC and UCIP's needs. William Cox agreed that something in writing needs to be in place but wondered why UCIP was taking the lead to get it done when it should be UAC. Miller explained that an MOU had been established but expired in 2016. The current arrangement is that UCIP will not pay rent but pay half of the annual maintenance costs, which historically have been around \$30,000. Based on the Board's discussion, Miller will work with Brown and Trupp to draft an agreement to present to the Board at their October 25, 2018 Board meeting.

Review/Approve Board Compensation Policy Amendments

Sonya White presented draft amendments to the Board Compensation Policy (see attachment number five). White explained that formatting changes were made to match the same formatting as the other policies of the Board. The only other change was designating members as "Board" rather than "Trustee". Alma Adams made a motion to approve the Compensation Policy amendments as presented. Mike Wilkins seconded the motion, which passed unanimously.

Review/Approve Coverage Addendum Amendments

Johnnie Miller reported that the Coverage Addendum is proposed to include sewer and drain coverage (see attachment number six). Sublimits recommended are: \$100,000 per occurrence, with a \$500,000 annual aggregate. Mark Whitney expressed concern with covering an exposure not provided by counties. Karla Johnson explained that in some areas, the only way to get the infrastructure necessary for sewers and drains is to establish special service districts. Miller indicated that more municipalities are pushing services onto the counties. Therefore, UCIP needs to be prepared to cover services the counties are willing to protect. Mike Wilkins made a motion to approve the Coverage Addendum amendments as presented. Alma Adams seconded the motion, which passed unanimously.

Review/Approve Internal Accounting Controls Policy Amendments

Sonya White presented draft amendments to the Internal Accounting Controls Policy (see attachment number seven). Amendments include updates to the formatting to match the other Board policies. Amendments include: 1) language included for unclaimed property reported to the Utah State Treasurer Unclaimed Property Division annually for

unclaimed property valued at \$50 or more; 2) property and equipment purchased at a cost greater than \$5,000 will be capitalized instead of a cost of \$500; 3) depreciation is recorded quarterly; 4) a physical inspection and inventory will be taken of all fixed assets annually; and 5) language added to include the disposition of property. Deb Alexander made a motion to approve the Internal Accounting Controls Policy amendments as presented and to include language that *all personnel files include but are not limited to* the items in Section VI.K.1. Bret Millburn seconded the motion, which passed unanimously.

Review/Approve Pre-Loss Legal Program Policy

Johnnie Miller explained that Dale Eyre discussed the need for a Pre-Loss Legal Assistance Program Policy at the June 28, 2018 Board meeting. Miller presented a draft Pre-Loss Legal Assistance Program Policy to the Board (see attachment number eight). Miller explained that the Policy outlines the procedures and responsibilities of members when utilizing the Program including the approval of the Member's County Attorney prior to contacting UCIP's defense panel for legal consultative services. Deb Alexander made a motion to approve the Pre-Loss Legal Assistance Program Policy as presented. Bret Millburn seconded the motion, which passed unanimously.

Review/Approve Reimbursement Policy Amendments

Johnnie Miller presented draft amendments to the Reimbursement Policy (see attachment number nine). Amendments include terminology designating members as "Board" rather than "Trustee". Additionally, the word "travel" was removed from Section II, as that policy speaks specifically to the reimbursement of travel expenses. The Reimbursement Policy is applicable to both UCIP staff and the Board. Also, the amendments update the mileage reimbursement rate based on the increase for State employees effective July 1, 2018 as well as the rate for use of a private vehicle by employees. Karla Johnson made a motion to approve the Reimbursement Policy Amendments as presented. Alma Adams seconded the motion, which passed unanimously.

Review/Approve County Related Entities Membership

Mike Wilkins presented a membership application for Wilson Arch Water & Sewer Special Service District (see attachment number 10). Based on the recommendation of staff, Wilkins made a motion to approve the Wilson Arch Water & Sewer Special Service District as a non-equity, non-voting member of the Pool. Bret Millburn seconded the motion, which passed unanimously.

Review/Approve 2019 Actuarial Rate Analysis

Sonya White explained that based on the report provided by Mary Jean King of By The Numbers Actuarial Consulting during the Board's Strategic Planning sessions the previous day (see attachment number 11), Board approval is needed for the 2019 Rate Analysis. Mike Wilkins made a motion to approve the 2019 Actuarial Rate Analysis as presented. Scott Jenkins seconded the motion, which passed unanimously.

Review/Approve 2019 Rates and Estimated Member Contributions

Sonya White reported that based on the rates and indicated contributions for 2019 provided by the actuaries of By The Numbers Actuarial Consulting, rates for each line of coverage were provided to the Board for approval (see attachment number 12). White explained that the rates recommended calculate to between a 70-80% actuarial confidence level. During the underwriting process, 70 additional properties were appraised, including 55 properties in the open. The Pool is seeing an overall increase of 2-3% in member exposures for 2019. Ancillary coverages include: clash, cyber, additional defense, terrorism, and drones. The Pool has not passed the cost of clash, additional defense and terrorism to its members in the past, but it is recommended that these costs be included in contributions instead of depleting surplus. Reinsurance rates for automobile liability has decreased 20%, general liability rates decreased 1%, law enforcement liability rates increased 10% and public officials liability rates increased 15%. The recommended rates included all these factors: member growth, ancillary coverage costs, decreases/increases in actuarial and reinsurance rates, and the objective of the Board to increase surplus. It is recommended that the rate stabilization fund not be incorporated into the contributions formula for 2019 as it had

been in 2017 and 2018. Therefore, White provided the Board with the estimated member contributions for 2019 for their review and discussion (see attachment number 12). Mark Whitney made a motion to approve the 2019 Rates and Estimated Member Contributions as presented. Alma Adams seconded the motion, which passed unanimously.

Set Date and Time for Closed Meeting

William Cox made a motion to strike agenda item: *Set Date and Time for a Closed Meeting to Discuss Pending or Reasonably Imminent Litigation*. Deb Alexander seconded the motion, which passed unanimously.

Action on Litigation Matters

William Cox made a motion to strike agenda item: *Action on Litigation Matters*. Deb Alexander seconded the motion, which passed unanimously.

Set Date and Time for Closed Meeting

William Cox made a motion to strike agenda item: *Set Date and Time for a Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual*. Deb Alexander seconded the motion, which passed unanimously.

Action on Personnel Matters

William Cox made a motion to strike agenda item: *Action on Personnel Matters*. Deb Alexander seconded the motion, which passed unanimously.

Chief Executive Officer's Report

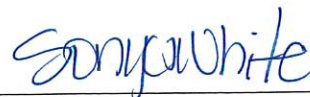
Johnnie Miller had previously provided a report at the Board's Strategic Planning sessions the day before.

Other Business

The next meeting of the Board of Directors will be held Thursday, October 25, 2018 at 1:45 p.m. at the Hilton Garden Inn, 227 Sego Lily Drive, Sandy, Utah.

William Cox made a motion to adjourn the meeting of the Utah Counties Indemnity Pool Board of Directors at 11:15 a.m. on August 22, 2018. Deb Alexander seconded the motion, which passed unanimously.

Prepared by:



Sonya White, UCIP Chief Financial Officer

Submitted on this _____ day of _____
_____ 2018

Karla Johnson, Secretary/Treasurer

Approved on this 25 day of _____
October 2018

Bruce Adams

Bruce Adams, President

UTAH COUNTIES INDEMNITY POOL
Payments and Credit Card Transactions
June 28 - August 22, 2018

Date	Transaction Type	Num	Name	Memo/Description	Amount
500-000000-10010100 ZionsMLC					
06/29/2018	Check	BILLPAY	Uintah County	Claim: UIN0000182018	-340.44
06/29/2018	Check	ACH	Davis County	Claim: DAV0000482018	-585.60
06/29/2018	Check	ACH	Sevier County	Claim: SEV0000142018	-348.20
06/29/2018	Check	ACH	Forever Appliance	Claim: WSW0000012108	-6,655.00
07/02/2018	Check	ACH	Durham Jones & Pinegar	Invoice: 629426	-8,122.50
07/02/2018	Check	ACH	Durham Jones & Pinegar	Invoice: 629430	-6,634.79
07/02/2018	Check	ACH	Mylar Law, PC	Invoice: 20180087	-7,189.14
07/02/2018	Check	ACH	Mylar Law, PC	Invoice: 20180086	-5,168.65
07/02/2018	Check	ACH	Mylar Law, PC	Invoice: 20180084	-6,777.01
07/03/2018	Check	BILLPAY	Juab County	Claim: JUA0000092018	-91.10
07/03/2018	Check	BILLPAY	Brandon Franzke	Claim: KAN0000122018	-362.50
07/03/2018	Check	BILLPAY	Seth Atkinson	Claim: JUA0000822018	-2,755.30
07/13/2018	Check	ACH	Kane County	Claim: KAN0000152018	-599.60
07/17/2018	Check	ACH	Dunn & Dunn, PC	Invoice: 37769	-9,142.00
07/17/2018	Check	ACH	Durham Jones & Pinegar	Invoice: 632160	-3,085.32
07/17/2018	Check	ACH	Hutton Law Associates, PC	Invoice: 00325	-2,411.10
07/17/2018	Check	ACH	Hutton Law Associates, PC	Invoice: 00326	-2,355.00
07/17/2018	Check	ACH	Hutton Law Associates, PC	Invoice: 00327	-12,615.00
07/17/2018	Check	ACH	Hutton Law Associates, PC	Invoice: 00328	-897.00
07/17/2018	Check	ACH	Mylar Law, PC	Invoice: 20180099	-6,422.19
07/17/2018	Check	ACH	Mylar Law, PC	Invoice: 20180102	-9,624.87
07/17/2018	Check	ACH	Mylar Law, PC	Invoice: 20180096	-2,774.18
07/17/2018	Check	ACH	Mylar Law, PC	Invoice: 20180098	-7,535.00
07/17/2018	Check	ACH	Mylar Law, PC	Invoice: 20180101	-4,295.97
07/17/2018	Check	ACH	Suittler Axland	Invoice: 1289598	-864.19
07/17/2018	Check	ACH	Suittler Axland	Invoice: 1289899	-6,070.39
07/17/2018	Check	ACH	Suittler Axland	Invoice: 1289894	-11,728.56
07/17/2018	Check	ACH	Suittler Axland	Invoice: 1289893	-2,917.14
07/17/2018	Check	ACH	Suittler Axland	Invoice: 1289887	-95.00
07/17/2018	Check	BILLPAY	Candice Peterson	Claim: JUA00000652018	-3,360.96
07/25/2018	Check	ACH	Durham Jones & Pinegar	Invoice: 632950	-2,328.70
07/25/2018	Check	ACH	Durham Jones & Pinegar	Invoice: 632952	-2,789.20
07/25/2018	Check	ACH	Durham Jones & Pinegar	Invoice: 632947	-10,667.69
07/25/2018	Check	ACH	Durham Jones & Pinegar	Invoice: 632951	-253.50
07/25/2018	Check	ACH	Durham Jones & Pinegar	Invoice: 632948	-1,565.14
07/25/2018	Check	ACH	Durham Jones & Pinegar	Invoice: 632953	-2,577.00
07/25/2018	Check	ACH	Goebel Anderson PC	Invoice: 2480	-2,590.00
07/25/2018	Check	ACH	Goebel Anderson PC	Invoice: 2478	-2,642.50
07/25/2018	Check	ACH	Goebel Anderson PC	Invoice: 2479	-8,505.00
07/25/2018	Check	ACH	Mylar Law, PC	Invoice: 20180105	-4,459.00
07/25/2018	Check	ACH	Mylar Law, PC	Invoice: 20180103	-3,568.54
07/25/2018	Check	ACH	Davis County	Claim: DAV0000492018	-787.01
07/25/2018	Check	ACH	Davis County	Claim: DAV0000502018	-439.60
07/26/2018	Check	BILLPAY	Enterprise Rent-A-Car, Inc.	Invoice: IAG4709	-966.34
07/26/2018	Check	BILLPAY	Blaine Bingham	Claim: WEB0000752018	-1,859.30
07/26/2018	Check	BILLPAY	Randy Goodell	Claim: WEB0005492018	-500.00
07/26/2018	Check	BILLPAY	Bear River Mutual Insurance Company	Invoice: 0623856	-3,000.00
07/26/2018	Check	BILLPAY	Bear River Mutual Insurance Company	Invoice: 0623856	-2,035.00
07/27/2018	Expense				-126.00
08/09/2018	Check	ACH	Dunn & Dunn, PC	Invoice: 37771	-699.50
08/09/2018	Check	ACH	Dunn & Dunn, PC	Invoice: 37772	-4,186.13
08/09/2018	Check	ACH	Dunn & Dunn, PC	Invoice: 37773	-14,855.20
08/09/2018	Check	ACH	Hutton Law Associates, PC	Invoice: 00330	-3,915.00
08/09/2018	Check	ACH	Hutton Law Associates, PC	Invoice: 00329	-13,659.80
08/09/2018	Check	ACH	Mylar Law, PC	Invoice: 20180104	-7,306.98
08/09/2018	Check	ACH	Mylar Law, PC	Invoice: 20180106	-4,121.00
08/09/2018	Check	ACH	Strong & Hanni	Invoice: 184771	-1,172.50
08/09/2018	Check	ACH	Strong & Hanni	Invoice: 184767	-680.00
08/09/2018	Check	ACH	Strong & Hanni	Invoice: 184769	-667.50
08/09/2018	Check	ACH	Strong & Hanni	Invoice: 184770	-5,154.00
08/09/2018	Check	ACH	Strong & Hanni	Invoice: 184768	-1,312.50
08/09/2018	Check	ACH	Strong & Hanni	Invoice: 184709	-5,152.50
08/09/2018	Check	ACH	Suittler Axland	Invoice: 1289966	-3,431.76
08/09/2018	Check	ACH	Suittler Axland	Invoice: 1289963	-642.50
08/09/2018	Check	ACH	Suittler Axland	Invoice: 1289962	-5,833.47
08/09/2018	Check	ACH	Suittler Axland	Invoice: 1289961	-6,974.60
08/09/2018	Check	ACH	Suittler Axland	Invoice: 1289960	-1,857.50
08/09/2018	Check	ACH	Suittler Axland	Invoice: 1289959	-672.50
08/09/2018	Check	ACH	Suittler Axland	Invoice: 1289890	-375.00

08/13/2018	Check	BILLPAY	San Juan County	Claim: SAJ0000222018	-726.92
08/13/2018	Check	BILLPAY	Lyn Loyd Creswell	Claim: SAJ0001412018	-708.00
08/13/2018	Check	BILLPAY	Smith Hartvigsen, PLLC	Claim: SAJ0001412018	-27,500.00
08/15/2018	Check	ACH	Timothy Croteau	Claim: KAN0000162018	-1,379.04
08/22/2018	Check	BILLPAY	Thane Palmer	Claim: WAS0000172018	-953.70
Total for 500-000000-10010100 ZionsMLC					-5 297,420.82
500-000000-10010100 ZionsMLE					
06/28/2018	Payroll Check	DD	Johnnie R. Miller	Pay Period: 06/16/2018-06/30/2018 06/16/2018 to 06/30/2018	-5,311.88
06/28/2018	Payroll Check	DD	Sonya J. White	Pay Period: 06/16/2018-06/30/2018 06/16/2018 to 06/30/2018	-2,034.44
06/28/2018	Payroll Check	DD	Alexander F. Getts	Pay Period: 06/16/2018-06/30/2018 06/16/2018 to 06/30/2018	-1,224.72
06/28/2018	Payroll Check	DD	Marty L. Stevens	Pay Period: 06/16/2018-06/30/2018 06/16/2018 to 06/30/2018	-1,680.34
06/28/2018	Payroll Check	DD	Korby M. Siggard	Pay Period: 06/16/2018-06/30/2018 06/16/2018 to 06/30/2018	-2,423.72
06/28/2018	Check	ONLINE	Utah Retirement Systems	Confirmation: 062558128632	-8,080.95
06/28/2018	Check	ONLINE	Nationwide Retirement Solutions	Entity: 0036786001	-2,412.24
06/28/2018	Tax Payment		IRS	Tax Payment for Period: 06/27/2018-06/29/2018	-4,535.22
06/28/2018	Tax Payment		UT State Tax Commission	Tax Payment for Period: 06/01/2018-06/30/2018	-1,529.88
06/29/2018	Check	BILLPAY	Sonya J. White	CRL Underwriting Meetings	-126.00
07/02/2018	Bill Payment (Check)	ACH	County Reinsurance, Limited		-578,155.00
07/06/2018	Check	ACH	Johnnie R. Miller	Expense Reimbursement	-244.32
07/06/2018	Check	ACH	Alexander F. Getts	Expense Reimbursement	-30.21
07/06/2018	Check	ACH	Korby M. Siggard	Expense Reimbursement	-15.37
07/06/2018	Check	ACH	Victor Iverson	Board Meeting 06/28/2018 590.80 Miles @ \$0.53	-313.12
07/06/2018	Check	ACH	Karla Johnson	Board Meeting 06/28/2018 590.80 Miles @ \$0.53	-323.72
07/06/2018	Check	ACH	James Kaiserman	Board Meeting 06/28/2018	-50.88
07/06/2018	Deposit		South Bountiful Auto Parts	Claim: VSW0000012018	125.00
07/06/2018	Bill Payment (Check)	ACH	By The Numbers Actuarial Consulting, Inc.	Invoice: 2018-142	-3,000.00
07/06/2018	Bill Payment (Check)	ACH	Gallagher Bassett Services, Inc.	Invoice: 15296	-78.00
07/06/2018	Bill Payment (Check)	ACH	Les Olson Company	Invoice: EA791245	-44.94
07/10/2018	Bill Payment (Check)	ONLINE	American Express	Confirmation: W1628	-10,409.32
07/10/2018	Deposit		DCRDA		1,469.00
07/11/2018	Check	BILLPAY	Bruce Adams	Board Meeting 06/28/2018 600 Miles @ \$0.53	-318.00
07/11/2018	Check	BILLPAY	Deb Alexander	Board Meeting 06/28/2018 17.8 Miles @ \$0.53	-9.43
07/12/2018	Payroll Check	DD	Marty L. Stevens	Pay Period: 07/01/2018-07/15/2018 07/01/2018 to 07/15/2018	-1,599.41
07/12/2018	Payroll Check	DD	Sonya J. White	Pay Period: 07/01/2018-07/15/2018 07/01/2018 to 07/15/2018	-2,321.54
07/12/2018	Payroll Check	DD	Alexander F. Getts	Pay Period: 07/01/2018-07/15/2018 07/01/2018 to 07/15/2018	-1,328.64
07/12/2018	Payroll Check	DD	Korby M. Siggard	Pay Period: 07/01/2018-07/15/2018 07/01/2018 to 07/15/2018	-2,424.11
07/12/2018	Payroll Check	DD	Johnnie R. Miller	Pay Period: 07/01/2018-07/15/2018 07/01/2018 to 07/15/2018	-5,105.43
07/12/2018	Payroll Check	DD	Johnnie R. Miller	Pay Period: 07/01/2018-07/15/2018 07/01/2018 to 07/15/2018	-420.00
07/12/2018	Tax Payment		IRS	Tax Payment for Period: 07/11/2018-07/13/2018	-4,811.83
07/17/2018	Bill Payment (Check)	BILLPAY	TCNS, Inc.	Invoice: 7233	-527.50
07/17/2018	Bill Payment (Check)	ACH	AGRIP	Invoice: 031990	-1,671.60
07/17/2018	Bill Payment (Check)	BILLPAY	Fully	Invoice: INV13989	-49.00
07/17/2018	Bill Payment (Check)	ACH	Revco Leasing Company, LLC	Invoice: 498830	-435.91
07/19/2018	Deposit		Ingo Money		214.10
07/23/2018	Expense		Zions Bank	SERVICE AND TRANSACTION FEES	-122.60
07/25/2018	Check	ACH	PEHP-LTD	Agency: 1076	-191.25
07/25/2018	Check	ACH	Public Employees Health Program	Invoice: 0122472099	-7,224.47
07/25/2018	Bill Payment (Check)	ACH	Les Olson Company	Invoice: EA794950	-96.46
07/26/2018	Deposit		RC Recycling		802.88
07/30/2018	Payroll Check	DD	Marty L. Stevens	Pay Period: 07/16/2018-07/31/2018 07/16/2018 to 07/31/2018	-1,926.32
07/30/2018	Payroll Check	DD	Korby M. Siggard	Pay Period: 07/16/2018-07/31/2018 07/16/2018 to 07/31/2018	-2,405.30
07/30/2018	Payroll Check	DD	Sonya J. White	Pay Period: 07/16/2018-07/31/2018 07/16/2018 to 07/31/2018	-2,321.55
07/30/2018	Payroll Check	DD	Alexander F. Getts	Pay Period: 07/16/2018-07/31/2018 07/16/2018 to 07/31/2018	-1,574.48
07/30/2018	Payroll Check	DD	Johnnie R. Miller	Pay Period: 07/16/2018-07/31/2018 07/16/2018 to 07/31/2018	-4,913.93
07/30/2018	Payroll Check	DD	Johnnie R. Miller	Pay Period: 07/16/2018-07/31/2018 07/16/2018 to 07/31/2018	-570.00
07/30/2018	Tax Payment		IRS	Tax Payment for Period: 07/28/2018-07/31/2018	-4,993.13
07/30/2018	Tax Payment		UT State Tax Commission	Tax Payment for Period: 07/01/2018-07/31/2018 Confirmation: 1-423-478-912	-1,824.14
07/30/2018	Check	ONLINE	Utah Retirement Systems	Confirmation: 07253240979	-8,498.39
07/30/2018	Check	ONLINE	Nationwide Retirement Solutions	Entity: 0036786001	-2,485.28
07/30/2018	Transfer			Confirmation: 153375116394265	-50,000.00
08/08/2018	Bill Payment (Check)	ONLINE	American Express	Confirmation: W9484	-1,074.66
08/09/2018	Bill Payment (Check)	ACH	Gallagher Bassett Services, Inc.	Invoice: 15304	-252.00
08/09/2018	Bill Payment (Check)	ACH	HCA Asset Management, LLC	Invoice: 18-1052	-13,785.00
08/09/2018	Bill Payment (Check)	ACH	Revco Leasing Company, LLC	Invoice: 501552	-435.91
08/14/2018	Payroll Check	DD	Marty L. Stevens	Pay Period: 08/01/2018-08/15/2018 08/01/2018 to 08/15/2018	-1,762.87
08/14/2018	Payroll Check	DD	Korby M. Siggard	Pay Period: 08/01/2018-08/15/2018 08/01/2018 to 08/15/2018	-2,405.31
08/14/2018	Payroll Check	DD	Sonya J. White	Pay Period: 08/01/2018-08/15/2018 08/01/2018 to 08/15/2018	-2,321.55
08/14/2018	Payroll Check	DD	Johnnie R. Miller	Pay Period: 08/01/2018-08/15/2018 08/01/2018 to 08/15/2018	-4,913.93
08/14/2018	Payroll Check	DD	Johnnie R. Miller	Pay Period: 08/01/2018-08/15/2018 08/01/2018 to 08/15/2018	-570.00
08/14/2018	Payroll Check	DD	Alexander F. Getts	Pay Period: 08/01/2018-08/15/2018 08/01/2018 to 08/15/2018	-1,451.55
08/14/2018	Tax Payment		IRS	Tax Payment for Period: 08/15/2018-08/17/2018	-4,923.24
08/21/2018	Bill Payment (Check)	ACH	By The Numbers Actuarial Consulting, Inc.	Invoice: 2018-228	-7,000.00
08/21/2018	Bill Payment (Check)	ACH	Goebel Anderson PC	Invoice: 2537	-1,102.50
08/21/2018	Bill Payment (Check)	ACH	Les Olson Company	Invoice: EA800806	-67.96
08/21/2018	Bill Payment (Check)	ACH	Strong & Hanni	Invoice: 184710	-1,970.03
Total for 500-000000-10010100 ZionsMLE					-5 773,619.50



Utah Counties Indemnity Pool

FINANCIAL STATEMENTS

Quarter Ending June 30, 2018

Utah Counties Indemnity Pool

Second Quarter 2018 Financial Statements

To the Board of Trustees:

I have compiled the accompanying, in-house prepared, unaudited account balances arising from cash transactions and from accrual transactions of the Utah Counties Indemnity Pool as of June 30, 2018 to the basic financial statements.

Sonya White

Chief Financial Officer

801-307-2113

sonya@ucip.utah.gov

Reviewed this _____ day of _____, 2018

By: _____

UTAH COUNTIES INDEMNITY POOL
STATEMENT of NET POSITION
Quarter Ended June 30, 2018

	<u>Jun 30, 2018</u>	<u>Dec 31, 2017</u>	<u>Jun 30, 2017</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 12,590,875	\$ 10,203,478	\$ 10,753,714
Short-term investments	1,053,456	201,469	484,069
Accounts receivable	4,029	-	-
Net pension asset	-	-	8
Prepaid expenses	728,284	250,049	1,053,671
TOTAL CURRENT ASSETS	<u>14,376,644</u>	<u>10,654,996</u>	<u>12,291,462</u>
INVESTMENTS	3,189,222	3,997,888	3,649,876
PROPERTY AND EQUIPMENT	554,500	538,696	537,407
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	<u>168,435</u>	<u>168,435</u>	<u>155,055</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 18,288,801</u></u>	<u><u>\$ 15,360,016</u></u>	<u><u>\$ 16,633,800</u></u>
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES			
Reserves for losses and loss adjustment expenses	\$ 8,975,925	\$ 8,975,925	7,889,992
Accounts payable	(687)	(687)	23,092
Accrued expenses	110,543	100,116	88,042
Contributions paid in advance	<u>3,055,140</u>	<u>1,067,355</u>	<u>3,049,929</u>
TOTAL CURRENT LIABILITIES	<u>12,140,922</u>	<u>10,142,709</u>	<u>11,051,054</u>
NONCURRENT LIABILITIES			
Net pension liability	253,476	253,476	239,964
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	42,671	42,671	24,330
NET POSITION			
Net investment in capital assets	554,500	538,696	537,407
Unrestricted	<u>5,297,232</u>	<u>4,382,463</u>	<u>4,781,046</u>
TOTAL NET POSITION	<u>5,851,732</u>	<u>4,921,159</u>	<u>5,318,453</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u><u>\$ 18,288,801</u></u>	<u><u>\$ 15,360,016</u></u>	<u><u>\$ 16,633,800</u></u>

UTAH COUNTIES INDEMNITY POOL
STATEMENTS of REVENUES, EXPENSES, and CHANGES in NET POSITION
Quarter Ended June 30, 2018

	<u>Jun 30, 2018</u>	<u>Budget</u>	<u>Over Budget</u>	<u>% of Budget</u>
OPERATING INCOME				
Contributions	\$ 3,059,968	6,108,840	(3,048,872)	50%
Investment income	152,876	75,000	77,876	204%
Other income	6,261	7,000	(739)	89%
TOTAL OPERATING INCOME	<u>3,219,105</u>	<u>6,190,840</u>	<u>(2,971,735)</u>	<u>52%</u>
UNDERWRITING EXPENSES				
Losses and loss adjustment expenses	1,088,372	3,500,000	(2,580,997)	31%
Reinsurance coverage	706,509	1,650,000	(1,202,213)	43%
TOTAL UNDERWRITING EXPENSES	<u>1,794,881</u>	<u>5,150,000</u>	<u>(3,783,210)</u>	<u>35%</u>
ADMINISTRATION EXPENSES				
Trustees	8,278	55,000	(46,722)	15%
Depreciation	2,566	3,000	(434)	86%
Risk management	20,805	70,000	(49,195)	30%
Public relations	8,544	15,000	(6,456)	57%
Office	30,066	90,000	(59,934)	33%
Financial	66,758	90,000	(23,242)	74%
Personnel	349,516	675,000	(325,484)	52%
TOTAL ADMINISTRATION EXPENSES	<u>486,532</u>	<u>998,000</u>	<u>(511,468)</u>	<u>49%</u>
TOTAL OPERATING EXPENSES	<u>2,281,413</u>			
NET OPERATING INCOME	<u>937,692</u>			
OTHER INCOME EXPENSES				
Unrealized loss on marketable securities	(7,120)			
TOTAL OTHER EXPENSES	<u>(7,120)</u>			
CHANGE IN NET POSITION	930,573			
NET POSITION AT BEGINNING OF YEAR	<u>4,921,159</u>			
NET POSITION AT END OF QUARTER	<u>\$ 5,851,732</u>			

UTAH COUNTIES INDEMNITY POOL
STATEMENTS OF CASH FLOWS
Quarter Ended June 30, 2018

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Contributions collected	\$ 5,043,724	\$ 6,733,831
Other fees collected	6,261	20,082
Reinsurance paid	(1,184,744)	(1,608,152)
Losses and loss expenses paid	(1,088,372)	(2,535,381)
Cash paid to employees	(339,089)	(614,587)
Other administrative expenses paid	(134,449)	(290,796)
CASH FLOWS FROM OPERATING ACTIVITIES	<u>2,303,331</u>	<u>1,704,997</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(43,321)	(352,009)
Sale of investments	-	380,000
Investment income	145,757	179,033
Purchase of capital assets	(18,369)	(2,253)
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>84,066</u>	<u>204,771</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,387,397	1,909,768
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>10,203,478</u>	<u>8,293,710</u>
CASH AND CASH EQUIVALENTS AT END OF QUARTER	<u><u>\$ 12,590,875</u></u>	<u><u>10,203,478</u></u>
RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH		
Change in net position	\$ 930,573	268,263
Adjustments to reconcile change in net position to		
Depreciation	2,566	2,453
Interest on investments	(152,876)	(174,410)
Increase in equity in CRL	-	(101,858)
Net outflows of resources relating to pension	-	18,481
Unrealized gain on investments	7,120	5,238
Accounts receivable	(4,029)	75
Prepaid expenses	(478,235)	(14,994)
Reserves for loss and loss adjustment expenses	-	1,085,933
Accounts payable	-	(27,945)
Accrued expenses	10,427	10,562
Contributions paid in advance	1,987,785	633,199
Total adjustments	<u>1,372,758</u>	<u>1,436,734</u>
NET CASH USED BY OPERATING ACTIVITIES	<u><u>\$ 2,303,331</u></u>	<u><u>1,704,997</u></u>

OFFICE LEASE AGREEMENT

THIS OFFICE LEASE AGREEMENT (the "Agreement") is made and entered into this ____ day of ___, 2018, by and between Utah Association of Counties (hereinafter referred to as "UAC"), and Utah Counties Insurance Pool (hereinafter referred to as "UCIP"). UAC and UCIP are each hereinafter referred to as a "Party" are collectively referred to as "Parties".

WITNESSETH

WHEREAS, UAC and UCIP have substantially common membership consisting of counties and county related entities; and

WHEREAS, UAC was instrumental in creating UCIP for the benefit of UAC members, and was the original administrator of UCIP; and

WHEREAS, UAC and UCIP believe it is in their mutual best interests to coordinate services and support each other's activities in supporting and servicing counties and county related entities in the State of Utah;

NOW, THEREFORE, in consideration of the mutual promises set forth herein, the parties hereto agree as follows:

ARTICLE I: PREMISES

UAC hereby leases and demises to UCIP and UCIP hereby leases from UAC approximately --- square feet of rentable space on the main level, use of meeting rooms on the main level and approximately --- square feet of storage space on the lower level of the office building located at 5397 S Vine Street, Murray, Salt Lake County, Utah, 84107, (hereinafter the "Property"), together with other improvements now or hereinafter located thereon and affixed thereto (hereinafter collectively "Improvements") and any and all privileges, easements, and appurtenances belonging thereto or granted herein. The Property and the Improvements are hereinafter collectively referred to as the "Premises".

ARTICLE II: TERM COMMENCEMENT AND TERMINATION

2.1 **Term of Agreement.** This Agreement shall be for a term of twenty (20) years commencing on January 1, 2016 (the Commencement Date) and ending at 12:01 a.m. on the eleventh anniversary of the Commencement Date.

2.2 **Lease Year.** The term "Lease Year" as used in this Agreement shall mean a period of twelve (12) consecutive calendar months during the term of this Agreement. The first Agreement Year shall begin on the Commencement Date if the Commencement Date occurs on the first day of a calendar month; if not, the first Lease Year shall begin on the first day of the calendar month next following the Commencement Date. Each succeeding Lease Year shall begin at the expiration of the immediately preceding Lease Year.

2.3 **Termination.** This Agreement may be terminated, with or without cause, by either Party upon ninety (90) days written notice, without prejudice to any other right or remedy the Parties may have. In the event of early termination of this Agreement, UAC shall be entitled to a pro-rata of Rent through the last date of occupancy of the Premise by UCIP.

ARTICLE III: RENT

3.1 Monthly Rent. In consideration of rent for the Premises, UCIP shall pay to UAC on a semi-annual basis on June 30 and December 31 during the term of this Agreement, \$15,000 which is estimated to be equal to one-half (1/2) of the Utilities costs at the Premises, (hereinafter the "Rent"). The amount will be reviewed based on actual costs of Utilities on an annual basis and adjusted in writing by the parties.

3.2 Additional Rent for Extra Common Operating Expenses. The Rent described in Section 3.1 above includes consideration for UCIP's proportionate share of the Common Operating Expenses. Such Common Operating Expenses include the expected costs of the utilities (including telephone and internet), real estate taxes, UAC's casualty insurance and general maintenance obligations undertaken by UAC in Articles VII and VIII below.

ARTICLE IV: LATE CHARGES

If UCIP fails to pay any Rent when such Rent is due and payable in accordance with Section 3.1 of this Agreement, UAC, at UAC's election, may assess and collect a late fee charge equal to ten percent (10%) of each payment of Rent not received within ten (10) days from the date such Rent payment is due.

ARTICLE V: SECURITY DEPOSIT

Concurrently with UCIP's execution of this Agreement, UCIP shall deposit with UAC the sum \$--(hereinafter the "Security Deposit"). The Security Deposit shall be held by UAC for the faithful performance by UCIP of all of the terms, covenants, and conditions of this Agreement to be kept and performed by UCIP during the term of this Agreement. If UCIP defaults with respect to any provision of this Agreement, including but not limited to the provisions relating to the payment of Rent, and any costs, expenses, and charges payable under the provisions of this Agreement, UAC may, but shall not be obligated to use, apply or retain all or a part of the Security Deposit for the payment of any amount which UAC may spend by reason of UCIP's default or to compensate UAC for any other loss or damage which UAC may suffer by reason of UCIP's default. If any portion of the Security Deposit is so used or applied, UCIP shall, within ten (10) days after written demand, deposit with UAC an amount sufficient to restore the Security Deposit to its original amount; and UCIP's failure to do so shall be a material breach of this Agreement. UAC shall not be required to keep the Security Deposit separate from UAC's general funds, and UCIP shall not be entitled to interest on the Security Deposit. If UCIP shall fully and faithfully perform every provision of this Agreement to be performed by UCIP, the Security Deposit or any balance thereof shall be returned to UCIP or, at UAC's option, to the last permitted assignee of UCIP's interest under this Agreement at the expiration of the term of this Agreement and after UCIP or UCIP's permitted assignee has vacated the Premises. In the event of termination of UAC's interest in this Agreement, UAC shall transfer the Security Deposit to UAC's successor in interest whereupon UCIP agrees to release UAC from liability for the return of the Security Deposit or any accounting therefore.

ARTICLE VI: QUIET ENJOYMENT

UAC hereby covenants to UCIP that, subject to UCIP's compliance with the terms and provisions of this Agreement, UCIP shall peaceably and quietly hold and enjoy the full possession and use of the Premises during the term of this Agreement.

ARTICLE VII: TAXES, ASSESSMENTS AND OTHER CHARGES

UAC shall pay all real estate taxes, assessments (general and special), and other charges which may be levied, assessed or charged against the Premises, accruing or becoming due and payable during the term of this Agreement, which shall be considered part of the Common Operating Expenses.

ARTICLE VIII: UTILITIES AND MAINTENANCE

8.1 UAC's Responsibilities. UAC shall be solely responsible for all charges for water, sewer, gas, heat, ventilation, air conditioning, power, lighting, security system, telephone, internet connection, elevator inspection, janitorial, window cleaning, garbage removal, pest control, landscape maintenance, snow removal and general property management during the term of this Agreement. UAC has also agreed to provide regular maintenance and cleaning service of the Premises. All of the services described in this Section 8.1 shall be considered part of the Common Operating Expenses. UAC will take no intentional action which may cause an unscheduled interruption in UCIP's telephone or internet lines, said communication systems being critical to UCIP's ongoing business operations. Notwithstanding the foregoing, if it becomes necessary for UAC to shut down the said communication systems for reconstruction or remodeling work on the office building, such temporary cessation of communications systems shall be undertaken only upon prior notice to UCIP and at such time and for such duration as to minimize any interruption in UCIP's operations. Such remodeling or reconstruction activities are not planned or expected, but may unexpectedly occur during the term of this Agreement.

8.2 UCIP's Responsibilities. At all times during the term of this Agreement, and regardless of any services provided by UAC in Section 8.1 above, UCIP shall be solely responsible to keep the Premises in a neat, clean, and sanitary condition and shall comply with all valid federal, state, county, and city laws and ordinances and all rules and regulations of any duly constituted authority, present or future, affecting or respecting the use or occupancy of the Premises by UCIP.

ARTICLE IX: UCIP'S INSURANCE

9.1 UCIP's Insurance Coverage. UCIP shall, at all times during the term of this Agreement, and at UCIP's own cost and expense, procure and continue in force the following insurance coverage:

(a) Comprehensive liability insurance with limits of not less than one million dollars (\$1,000,000), insuring against any and all liability of the insured with respect to the Premises or arising out of the use or occupancy thereof, and property damage liability insurance with a limit of not less than one million dollars (\$1,000,000) per accident or occurrence.

(b) Insurance covering all of UCIP's leasehold Improvements and personal property in or upon the Premises in an amount not less than one hundred percent (100%) of full replacement cost, providing protection against any peril generally included within the classification "Fire and Extended Coverage", together with insurance against sprinkler damage, vandalism and malicious mischief and a standard inflation guard endorsement. UCIP hereby assigns UAC any and all proceeds payable with respect to such policies except to the extent such proceeds are payable with respect to any property that would remain the property of UCIP upon the termination of this Agreement; provided, however, that to the extent required pursuant to the provisions of Article XIII, such proceeds shall be applied to the repair and restoration of the Premises.

9.2 Insurance Policies. The minimum limits of insurance policies as set forth in Section 10.1 shall in no event limit the liability of UCIP hereunder. UAC understands that UCIP is a Public Mutual Insurance Company and as such UCIP may directly provide the insurance, or a portion thereof, required under this Article. UCIP shall furnish to UAC upon request, a certificate of coverage verifying coverage required under this Article.

9.3 Waiver of Subrogation. To the extent permitted under the insurance policies obtained by UAC, if any, and UCIP, UAC and UCIP each hereby waive any and all right of recovery against the other or against the officers, employees, agents and representatives of the other, on account of loss or damage occasioned to such waiving party or its property or the property of others under its control to the extent that such loss or damage is insured against under any fire and extended coverage insurance policy which either may have in force at the time of such loss or damage.

ARTICLE X: USE OF PREMISES

10.1 Use. The Premises shall be occupied by UCIP solely for the purpose of office and general business use, and for no other purpose without the prior written consent of UAC which consent may be withheld by UAC in UAC's sole discretion.

10.2 Change in Office or Storage Space Needs. Each Party will provide the other Party with reasonable notice of any changes in its needs for office space, and both Parties agree to make reasonable efforts to accommodate each other's office and storage space needs.

10.3 Suitability. UCIP acknowledges that neither UAC nor any agent of UAC has made any representation or warranty with respect to the Premises or with respect to the suitability of the Premises for the conduct of UCIP's business.

10.4 Prohibited Uses.

(a) UCIP shall not do or permit anything to be done in or about the Premises, nor bring or keep anything therein which will cause a cancellation of any insurance policy covering the Premises, nor shall UCIP sell or permit to be kept, used or sold in or about the Premises any articles which may be prohibited by a standard form policy of fire insurance unless UCIP provides additional insurance coverage extending protection to cover all risks associated with these articles.

(b) UCIP shall not use the Premises or permit anything to be done in or about the Premises which will in any way conflict with any law, statute, ordinance or governmental rule or regulation or requirement of duly constituted public authorities now in force or which may hereafter be enacted, promulgated or created. UCIP shall, at UCIP's sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force and with the requirements of any board of fire underwriters or other similar body now or hereafter constituted relating to or affecting the use or occupancy of the Premises.

10.5 Limited Use of Elevator. It is the understanding of the Parties that UCIP shall generally use the stairway to access the lower level of the Property. Accordingly, UCIP has agreed to limit use of the elevator, as much as is possible, to UCIP's patrons or guests who are physically challenged, or for moving equipment or furnishings.

10.6 Parking. UCIP shall have nonexclusive access and use of the existing parking spaces surrounding the office building which shall be shared by and between UAC and UCIP.

10.7 Premise Ownership. Use of the Premises and payment of Rent or any other compensation under this Agreement shall not inure to UCIP any ownership right in the Premises.

ARTICLE XI: HAZARDOUS SUBSTANCES

11.1 Environmental Compliance. UCIP (a) shall at all times comply with, or cause to be complied with, any "Environmental Law" (hereinafter defined) governing the Premises or the use thereof by UCIP or any of UCIP's employees, agents, contractors, invitees, licensees, customers, or clients, (b) shall not use, store, generate, treat, transport, or dispose of, or permit any of UCIP's employees, agents, contractors, invitees, licensees, customers, or clients to use, store, generate, treat, transport, or dispose of, any "Hazardous Substance" (hereinafter defined) on the Premises without first obtaining Lessor's written approval, (c) shall promptly and completely respond to and cleanup any release or presence of any Hazardous Substances upon the Premises in accordance with applicable laws and regulations and (d) shall pay all costs incurred as a result of the environmental state, condition and quality of the Premises, including, but not limited to, the costs of any Environmental Cleanup Work (hereinafter defined) and the preparation of any closure or other required plans (all of the foregoing obligations of UCIP under this Section 12.1" are hereinafter collectively "UCIP's Environmental Obligations"). UCIP shall indemnify, defend and hold UAC harmless from and against any and all claims, actions, damages, penalties, fines, liabilities and expenses, including reasonable attorneys' fees, which are directly or indirectly, in whole or in part, caused by or arise out of UCIP's Environmental Obligations. UCIP shall promptly deliver to Lessor true and complete copies of any and all notices or correspondence or request from any governmental authority or third parties relating to the presence, release, use, storage, treatment, transportation, or disposal of Hazardous Substances, which notices, correspondence, or requests relate, in any way, to the Premises. UCIP shall permit UAC and UAC's agents to enter into and upon the Premises, without notice, at all reasonable times for the purpose of inspecting the Premises and verifying UCIP's compliance with these covenants. The provisions of this Article XI shall survive the expiration or other termination of this Agreement.

11.2 Definitions. As used in this Agreement (a) "Hazardous Substance" shall mean (1) any "hazardous waste", "hazardous substance", and any other hazardous, radioactive, reactive, flammable, infectious, solid wastes, toxic or dangerous substances or materials, or related materials, as defined in, regulated by, or which form the basis of liability now or hereafter under any Environmental Law; (2) asbestos, (3) polychlorinated biphenyls (PCBs); (4) petroleum products or materials; (5) underground storage tanks, whether empty or filled or partially filled with any substance; (6) flammable explosives, (7) any substance the presence of which on the Premises is or becomes prohibited by Environmental Law; (8) urea formaldehyde foam insulation; and (9) any substance which under Environmental Law requires special handling or notification in its use, collection, storage, treatment or disposal; (b) "Environmental Cleanup Work" shall mean an obligation to perform work, cleanup, removal, repair, remediation, construction, alteration, demolition, renovation or installation in or in connection with the Premises in order to comply with any Environmental Law; and (c) "Environmental Law" shall mean any federal, state or local law, regulation, ordinance or order, whether currently existing or hereafter enacted, concerning the environmental state, condition or quality of the Premises or use, generation, transport, treatment, removal, or recovery of Hazardous Substances, including building materials, and including, but not limited to, the following: (1) the Solid Waste Disposal Act as amended by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901, et seq.), as amended, and all regulations promulgated thereunder; (2) the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. Section 9601, et seq.), as amended, and all regulations promulgated thereunder; (3) the Hazardous Materials Transportation Act (49 U.S.C. Section 1801, et seq.), as amended, and all regulations promulgated thereunder; (4) the Toxic Substances Control Act (15 U.S.C. Section 2601, et seq.), as amended, and all regulations promulgated thereunder; (5) the Clean Air Act (42 U.S.C. Section 7401, et seq.), as amended, and all regulations promulgated thereunder; (6) the Federal Water Pollution Control Act (33 U.S.C. Section 1251, et seq.), as amended, and all regulations promulgated thereunder; and (7) the Occupational Safety and Health Act (29 U.S.C. Section 651, et seq.), as amended, and all regulations promulgated thereunder.

ARTICLE XII: ALTERATIONS AND SIGNAGE

12.1 Alterations. UCIP shall not make any physical alteration in the Premises or to the fixtures located therein or install or cause to be installed any trade fixtures, floor coverings, interior or exterior lighting, plumbing fixtures, shades or awnings or make any changes to the exterior of the Premises without first obtaining the written consent of UAC. UCIP has installed window shades in office space on the south side of the Property. UCIP has also installed audio/visual equipment conference tables and chairs in the training room of the Property, all with permission of UAC and for the shared use of UCIP and UAC.

12.2 Signage. UAC shall provide UCIP, if desired by UCIP, space for a trade sign on the Premises near the entrance(s) to the parking lot or Property. No other trade signs are permitted except by prior written consent from UAC.

ARTICLE XIII: DAMAGE OR DESTRUCTION

13.1 UCIP to Repair Improvements. If during the term of this Agreement any of the UCIP's Improvements are damaged or destroyed by fire or other casualty, UCIP shall repair or

restore the Improvements. The work of repair or restoration, which shall be completed with due diligence, shall be commenced within a reasonable time after the damage or loss occurs.

13.2 Damage at End of Agreement. At the end of the Agreement, UAC shall, after an inspection of the vacated Premises, return such portion of the Security Deposit as is not required to be applied to the repair costs for damages to the Premises during UCIP's possession thereof.

ARTICLE XIV: CONDEMNATION

If all or any part of the Premises is taken or appropriated for public or quasi-public use by right of eminent domain with or without litigation or transferred by agreement in connection with such public or quasi-public use, UAC and UCIP shall each have the right within thirty (30) days of receipt of notice of taking, to terminate this Agreement as of the date possession is taken by the condemning authority; provided, however, that before UCIP may terminate this Agreement by reason of taking or appropriation, such taking or appropriation shall be of such an extent and nature as to substantially handicap, impede or impair UCIP's use of the Premises. No award for any partial or entire taking shall be apportioned, and UCIP hereby assigns to UAC any award which may be made in such taking or condemnation, together with any and all rights of UCIP now or hereafter arising in or to the award or any portion thereof; provided, however, that nothing contained herein shall be deemed to give UAC any interest in or to require UCIP to assign to UAC any award made to UCIP for the taking of personal property and fixtures belonging to UCIP, for the interruption of or damage to UCIP's business and for UCIP's unamortized cost of leasehold Improvements. In the event of a partial taking which does not result in a termination of this Agreement, rent shall be abated in the proportion which the part of the Premises so made unusable bears to the rented area of the Premises immediately prior to the taking. No temporary taking of the Premises or UCIP's right therein or under this Agreement shall terminate this Agreement or give UCIP any right to any abatement of rent thereunder; and any award made to UCIP by reason of any such temporary taking shall belong entirely to UCIP, and UAC shall not be entitled to any portion thereof.

ARTICLE XV: ASSIGNMENT AND SUBLETTING

UCIP shall not assign, transfer, mortgage, pledge, hypothecate or encumber this Agreement or any interest therein, either voluntarily or involuntarily by operation of law or otherwise, and UCIP shall not sublet the Premises or any part thereof, without the prior written consent of UAC and any attempt to do so without such consent being first had and obtained shall be void and shall constitute a breach of this Agreement.

**ARTICLE XVI: SUBORDINATION, ATTORNMENT AND ESTOPPEL
CERTIFICATES**

16.1 Subordination. This Agreement at UAC's option shall be subject and subordinate to the lien of any mortgages or deeds of trust in any amount or amounts whatsoever now or hereafter placed on or against the Land, the Improvements or on or against UAC's interest or estate therein, without the necessity of the execution and delivery of any further instruments on the part of UCIP to effectuate such subordination.

16.2 Subordination Agreements. UCIP shall execute and deliver upon demand without charge therefore, such further instruments evidencing such subordination of this Agreement to the lien of any such mortgages or deeds of trust as may be required by UAC.

16.3 Attornment. In the event of any foreclosure or the exercise of the power of sale under any mortgage or deed of trust made by UAC covering the Premises or the Improvements, UCIP shall attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as the UAC under this Agreement, provided said purchaser expressly agrees in writing to be bound by the terms of this Agreement.

16.4 Estoppel Certificates. UCIP shall, from time to time and within ten (10) days from receipt of prior written notice from UAC, execute, acknowledge and deliver to UAC a statement in writing (a) certifying that this Agreement is unmodified and in full force and effect or, if modified, stating the nature of such modification and certifying that this Agreement, as so modified, is in full force and effect and the date to which the rent and other charges are paid in advance, if any, (b) certifying that the Agreement and any modifications of this Agreement constitute the entire agreement between UAC and UCIP with respect to the Premises and, except as set forth in this Agreement and any modification of this Agreement, UCIP does not claim any right, title, or interest in or to the Premises or any part thereof, (c) acknowledging that there are not, to UCIP's knowledge, any uncured defaults on the part of UAC hereunder, or specifying such defaults, if any are claimed, and (d) certifying such other matters with respect to the Agreement and/or the Premises as UAC may reasonably request.

16.5 Failure to Deliver Certificate. If UCIP fails to deliver such statement within the time period referred to in Section 17.4 above, UCIP shall be deemed conclusive upon UCIP that the (a) this Agreement is unmodified and in full force and effect, (b) this Agreement constitutes the entire agreement between UAC and UCIP with respect to the Premises and, except as set forth in this Agreement, UCIP does not claim any right, title, or interest in or to the Premises, or any part thereof, and (c) there are no uncured defaults in UAC's performance of UAC's obligations under this Agreement.

16.6 Transfer of UAC's Interest. In the event of a sale or conveyance by UAC of UAC's interest in the Premises other than a transfer for security purposes only, UAC shall be relieved from and after the date specified in any such notice of transfer of all obligations and liabilities to UCIP which accrue after such sale or conveyance on the part of UAC, provided that any funds in the possession of UAC at the time of transfer in which UCIP has an interest shall be delivered to the successor UAC. This Agreement shall not be affected by any such sale or transfer and UCIP shall attorn to the purchaser or other transferee provided that all of UAC's

obligations accruing hereunder from and after such sale or transfer are assumed in writing by such purchaser or transferee.

ARTICLE XVII: DEFAULT AND REMEDIES

17.1 Default. The occurrence of any of the following shall constitute a material default and breach of this Agreement by UCIP:

(a) Any failure by UCIP to pay the Rent, or any other monetary sums required to be paid under this Agreement, where such failure continues for five (5) days after written notice thereof by UAC to UCIP;

(b) The abandonment or vacation of the Premises by UCIP;

(c) A failure by UCIP to observe and perform any other term, covenant or condition of this Agreement to be observed or performed, by UCIP, where such failure continues for twenty (20) days after written notice thereof by UAC to UCIP; provided, however, that if the nature of the default is such that the default cannot reasonably be cured within the twenty (20) day period, UCIP shall not be deemed to be in default if UCIP shall within the twenty (20) day period commence action to cure the default and thereafter diligently prosecute the same to completion;

(d) The making by UCIP of any general assignment or general arrangement for the benefit of creditors; the filing by or against UCIP of a petition to have UCIP adjudged a bankrupt or of a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against UCIP, the same is dismissed within sixty (60) days); the appointment of a trustee or receiver to take possession of substantially all of UCIP's assets located at the Premises or of UCIP's interest in this Agreement, where possession is not restored to UCIP within thirty (30) days; or the attachment, execution, or other judicial seizure of substantially all of UCIP's assets located at the Premises or of UCIP's interest in this Agreement, where such seizure is not discharged within thirty (30) days.

17.2 Nonexclusive Remedies. In the event of any such material default or breach by UCIP, UAC shall have, in addition to any other remedies provided in this Agreement, the following nonexclusive remedies:

(a) At UAC's option and without waiving any default by UCIP, UAC shall have the right to continue this Agreement in full force and effect and to collect all Rent, and any other amounts to be paid by UCIP under this Agreement as and when due. During any period that UCIP is in default, UAC shall have the right, pursuant to legal proceedings or pursuant to any notice provided for by law, to enter and take possession of the Premises, without terminating this Agreement, for the purpose of reletting the Premises or any part thereof and making any alterations and repairs that may be necessary or desirable in connection with such reletting. Any such reletting or relettings may be for such term or terms (including periods that exceed the balance of the term of this Agreement), and upon such other terms, covenants and conditions as UAC may in UAC's sole discretion deem advisable. Upon each and any such reletting, the rent or

rents received by UAC from such reletting shall be applied as follows: (1) to the payment of any indebtedness (other than rent) due hereunder from UCIP to UAC; (2) to the payment of costs and expenses of such reletting, including brokerage fees, attorney's fees, court costs, and costs of any alterations or repairs; (3) to the payment of any monthly Rent and any other amounts due and unpaid hereunder; and (4) the residue, if any, shall be held by UAC and applied in payment of future monthly Rent and any other amounts as they become due and payable hereunder. If the rent or rents received during any month and applied as provided above shall be insufficient to cover all such amounts including the monthly Rent and any other amounts to be paid by UCIP pursuant to this Agreement for such month, UCIP shall pay to UAC any deficiency; such deficiencies shall be calculated and paid monthly. No entry or taking possession of the Premises by UAC shall be construed as an election by UAC to terminate this Agreement, unless UAC gives written notice of such election to UCIP or unless such termination shall be decreed by a court of competent jurisdiction. Notwithstanding any reletting by UAC without termination, UAC may at any time thereafter terminate this Agreement for such previous default by giving written notice thereof to UCIP.

(b) Terminate UCIP's right to possession by notice to UCIP, in which case this Agreement shall terminate and UCIP shall immediately surrender possession of the Premises to UAC. In such event UAC shall be entitled to recover from UCIP all damages incurred by UAC by reason of UCIP's default, including without limitation the following: (1) all unpaid rent which has been earned at the time of such termination plus (2) the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that is proved could have been reasonably avoided; plus (3) any other amount necessary to compensate UAC for all the detriment proximately caused by UCIP's failure to perform UCIP's obligations under this Agreement, or in addition to or in lieu of the foregoing such damages as may be permitted from time to time under applicable State law. Upon any such re-entry UAC shall have the right to make any reasonable repairs, alterations or modifications to the Premises, which UAC in UAC's sole discretion deems reasonable and necessary.

ARTICLE XVIII: ENTRY BY UAC

UAC and UAC's designated representatives and agents shall, during the term of this Agreement, have the right to enter the Premises to inspect the same.

ARTICLE XIX: INDEMNITY

UCIP shall indemnify and hold UAC harmless from any and all claims of liability arising from negligent acts or omissions of UCIP for any injury or damage to any person or property whatsoever occurring in, on or about the Premises or any part thereof during the term of this Agreement. UCIP shall further indemnify and hold UAC harmless from and against any and all claims arising from any breach or default in the performance of any obligation on UCIP's part to be performed under the terms of this Agreement, or arising from any act or negligence of UCIP, or any of UCIP's agents, contractors, employees, licensees or invitees and from and against all costs, attorney's fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon. UCIP shall not, however, be liable for damage or injury

occasioned by the negligence or intentional acts of UAC and UAC's designated agents or employees. UCIP's obligations under this Article XIX shall survive the expiration or other termination of this Agreement.

ARTICLE XX: SURRENDER

20.1 Surrender. Upon the expiration or other termination of this Agreement, UCIP shall quit and surrender to UAC the Premises, together with the Improvements and all other property affixed to the Premises, excluding UCIP's fixtures, in good order and condition, ordinary wear and tear excepted. UCIP shall, prior to the expiration or other termination of this Agreement remove all personal property belonging to UCIP and failing to do so, UAC may cause all of said personal property to be removed at the cost and expense of UCIP. UCIP's obligation to observe and perform this covenant shall survive the expiration or other termination of this Agreement. In the alternative, UAC may, at UAC's option, treat any and all items not removed by UCIP on or before the date of expiration or of the termination of this Agreement as having been relinquished by UCIP and such items shall become the property of UAC with the same force and effect as if UCIP had never owned or otherwise had any interest in such items.

20.2 Hazardous Substances. No spill, deposit, emission, leakage or other release of Hazardous Substance in the soils, groundwaters or waters shall be deemed to result in either (a) wear and tear that would be normal for the term of the Agreement; or (b) a casualty to the Premises. UCIP shall be responsible to promptly and completely cleanup any such release as shall occur on the Premises due to any act or negligence of UCIP, or any of UCIP's agents, contractors, employees, licensees or invitees during the term of the Agreement and shall surrender the Premises free of any contamination or other damage caused by such occurrence during the term of the Agreement. UCIP's obligation to clean up the Premises pursuant to the provisions of this Article XX shall survive the expiration or other termination of this Agreement.

ARTICLE XXI: MISCELLANEOUS

21.1 Transfer of UAC's Interest. In the event of a sale or conveyance by UAC of UAC's interest in the Premises other than a transfer for security purposes only, UAC shall be relieved from and after the date specified in any such notice of transfer of all obligations and liabilities accruing after such sale or conveyance on the part of UAC, provided that any funds in the possession of UAC at the time of transfer in which UCIP has an interest, shall be delivered to the successor of UAC. This Agreement shall not be affected by any such sale and UCIP agrees to attorn to the purchaser or assignee provided all UAC's obligations hereunder are assumed in writing by the transferee.

21.2 Captions, Attachments and Defined Terms.

(a) The captions of the Articles and Sections of this Agreement are for convenience only and shall not be deemed to be relevant in resolving any question of interpretation or construction of any Section of this Agreement.

(b) The words "UAC" and "UCIP", as used herein, shall include the plural as well as the singular. Words used in neuter gender include the masculine and feminine and words in the masculine or feminine gender include the neuter. If there be more than

one UAC or UCIP, the obligations hereunder imposed upon UAC or UCIP shall be joint and several.

21.3 Entire Agreement. This instrument along with any exhibits and attachments hereto constitutes the entire agreement between UAC and UCIP relative to the Premises and this Agreement and the exhibits and attachments may be altered, amended or revoked only by an instrument in writing signed by both UAC and UCIP. All prior or contemporaneous oral agreements between and among UAC and UCIP and their agents or representatives relative to the leasing of the Premises are merged in or revoked by this Agreement.

21.4 Severability. If any term or provision of this Agreement shall, to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforceable to the fullest extent permitted by law.

21.5 Costs of Suit.

(a) If UCIP or UAC shall bring any action for any relief against the other, declaratory or otherwise, arising out of this Agreement, including any suit by UAC for the recovery of rent or possession of the Premises, the losing party shall pay the successful party a reasonable sum for attorney's fees whether or not such action is prosecuted to judgment.

(b) Should UAC, without fault on UAC's part, be made a party to any litigation instituted against UCIP, or by or against any person holding under or using the Premises by license of UCIP, or for the foreclosure of any lien for labor or material furnished to or for UCIP or any such other person or otherwise arising out of or resulting from any act or transaction of UCIP or of any such other person, UCIP shall save and hold UAC harmless from any judgment rendered against UAC, the Premises or any part thereof, and all costs and expenses, including reasonable attorney's fees, incurred by UAC in or in connection with such litigation.

21.6 Time and Remedies. Time is of the essence of this Agreement and every provision hereof. All rights and remedies of the parties shall be cumulative and nonexclusive of any other remedy at law or in equity.

21.7 Binding Effect, Successors and Choice of Law. All time provisions of this Agreement are to be construed as both covenants and conditions as though the words importing such covenants and conditions were used in each separate Section of this Agreement. Subject to any provisions restricting assignment or subletting by UCIP as set forth in Article XV, all of the terms hereof shall bind and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns. This Agreement shall be governed by the laws of the State of Utah.

21.8 Waiver. No term, covenant or condition of this Agreement shall be deemed waived, except by written consent of the party against whom the waiver is claimed, and any waiver of the breach of any term, covenant or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other term, covenant or condition.

Acceptance by UAC of any performance by UCIP after the time the same shall have become due shall not constitute a waiver by UAC of the breach or default of any term, covenant or condition unless otherwise expressly agreed to by UAC in writing.

21.9 Holding Over. If UCIP remains in possession of all or any part of the Premises after the expiration of the term of this Agreement, with or without the express or implied consent of UAC, such tenancy shall be from month to month only, and not a renewal hereof or an extension for any further term, and in such case, rent and other sums due hereunder shall be payable in an amount equal to 100% of the amount last specified in this Agreement and such month to month tenancy shall be subject to every other term, covenant and condition contained in this Agreement.

21.10 Recording. No copy of this Agreement will not be recorded on behalf of either party, but in lieu thereof, UAC and UCIP agree that each will, upon the request of the other, execute, in recordable form, a "short form" of the Agreement, which "short form" shall contain a description of the Premises, the term of the Agreement, the parties to the Agreement. The "short form" of the Agreement shall not modify the terms of the Agreement or be used in interpreting the Agreement and in the event of any inconsistency between this Agreement and the "short form" of the Agreement, the terms and conditions of this Agreement shall control.

21.11 Reasonable Consent. Except as limited elsewhere in this Agreement, wherever in this Agreement UAC or UCIP is required to give consent or approval to any action on the part of the other, such consent or approval shall not be unreasonably withheld. In the event of failure to give any such consent, the other party shall be entitled to specific performance at law and shall have such other remedies as are reserved to such party under this Agreement, but in no event shall UAC or UCIP be responsible in damages for failure to give consent unless consent is withheld maliciously or in bad faith.

21.12 Notice. Any notice required to be given under this Agreement shall be given in writing and shall be delivered in person or by registered or certified mail, postage prepaid, and addressed to the following:

If to UAC:

Utah Association of Counties
5397 S Vine Street
Murray, UT 84107
Attention: Adam Trupp

If to UCIP (prior to Commencement Date):

Utah Counties Indemnity Pool
5397 S Vine Street
Murray, UT 84107
Attention: Johnnie Miller

Such notice shall be deemed delivered when personally delivered or upon deposit of the notice in the United States mail in the manner provided above.

21.13 No Partnership. UAC does not, as a result of entering into this Agreement, in any way or for any purpose become a partner of UCIP in the conduct of UCIP's business, or otherwise, or joint venture or a member of a joint enterprise with UCIP.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

UAC:

Utah Association of Counties+

By: Adam Trupp

Its: Executive Director

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

On the _____ day of _____, 2008, personally appeared before me Adam Trupp, the signer of the above instrument, who duly acknowledged to me that he is the Executive Director of Utah Association of Counties and executed the same on behalf of Utah Association of Counties.

NOTARY PUBLIC

UCIP:

UTAH COUNTIES INDEMNITY POOL

By: Johnnie R. Miller

Its: Chief Executive Officer

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

On the ____ day of _____, 2008, personally appeared before me Johnnie R. Miller, the signer of the above instrument, who duly acknowledged to me that he is the Chief Executive Officer of UTAH COUNTIES INDEMNITY POOL and executed the same on its behalf.

NOTARY PUBLIC

EXHIBIT "A"

DEPICTION OF PROPERTY

DRAFT

Utah Counties Indemnity Pool
Trustee-Board Compensation Policy

~~Original Adoption Date: February 16, 2017~~

~~Last Review Date: August 17, 2017~~

~~Last Revision Date: August 17, 2017~~

SECTION I. Effective Date and Frequency of Review.

- A. The Board originally adopted the Trustee Compensation Policy on February 16, 2017.
- B. This policy should be reviewed annually, but not less than every three years by the Board. This policy will also be reviewed any time that changes to laws or rules governing Board compensation of interlocal agencies are amended in a manner which would require review and update to this policy.

SECTION II. Purpose.

- A. This Trustee Compensation Policy outlines the policy of the UCIP Board of Trustees related to compensation received by Trustees for their attendance at meetings of the Board and other UCIP related activities of individual Trustees. This policy outlines the policies and procedures of the Board related to Board Compensation.

SECTION III. Authority.

- A. The Board has authority to adopt this policy under the UCIP Interlocal Agreement.

SECTION IV. Applicability and Scope.

- A. This policy applies to all Board Members appointed or elected to the UCIP Board.

SECTION V. Definitions

- A. "Board" means the UCIP Board of Directors.
- B. "Compensation" means payment for service on the UCIP Board other than reimbursement for expenses authorized under the UCIP Reimbursement Policy.
- C. "UCIP" means the Utah Counties Indemnity Pool.

SECTION VI. Policy Statements

- A. Compensation

1. It is the policy of the UCIP Board of ~~Trustees-Directors~~ that membership on the Board is an uncompensated position. Board ~~members~~ Members shall not be paid for attendance at meetings of the Board of ~~Trustees-Directors~~ or for any other UCIP related activities.

B. Reimbursement of Expenses

1. This policy is not intended to prohibit the reimbursement to ~~Trustees-Board~~ Members of reasonable expenses related to attendance of meetings of the Board of ~~Trustees-Directors~~ and other approved UCIP related activities in accordance with the UCIP Reimbursement Policy.

SECTION VII. Procedures and Responsibilities.

- A. This policy creates no procedures and responsibilities.

SECTION VIII. Revision History.

- A. Original Policy Adoption: February 16, 2017

- B. Revised: August 17, 2017

- C. Revised: August 22, 2018

SECTION IX. Appendices.

- A. There are no appendices to this policy.

~~Revision History~~

~~Adopted: 02-16-2017~~

~~Revised: 08-17-2017~~

Sewer and Drain Coverage Amendments

Add new Liability Exclusion

Any claim arising from the actual, alleged or threatened discharge, dispersal, seepage, migration, release, escape, back up or overflow of any water or sewage from any sewer, drain or sump (whether open or closed).

Add Endorsement to provide Sewer and Drain Coverage Extension with Sublimit

Subject to the Sublimits shown on the Member Schedule of Liability Limits and Sublimits, we will indemnify the Member for those sums that the Member becomes legally obligated to pay as Damages because of Bodily Injury, Property Damage, Personal Injury or Advertising Injury, or Loss Adjustment Expense for each Occurrence or Wrongful Act arising from the actual, alleged or threatened discharge, dispersal, seepage, migration, release, escape, back up or overflow of any water or sewage from any sewer, drain or sump (whether open or closed).

Add to Sublimits on Member Schedule of Liability Limits and Sublimits

	<u>Primary</u>	<u>Excess</u>
Sewer and Drain Backup	\$100,000 per OCCURRENCE \$500,000 Annual Aggregate	\$0

Utah Counties Indemnity Pool Internal Accounting Controls

SECTION I. Effective Date and Frequency of Review.

- A. The Board originally adopted the Internal Accounting Controls Policy on August 17, 2017.
- B. These policies and procedures will be reviewed annually and revised as needed by the staff, reviewed by the UCIP Audit Committee and approved by the UCIP Board of Directors.

SECTION II. Purpose.

- A. The purpose of these policies and procedures is to describe all accounting procedures currently in use at the Utah Counties Indemnity Pool (UCIP) and to ensure that the financial statements conform to generally accepted accounting principles; assets are safeguarded; and finances are managed with accuracy, efficiency, and transparency.

SECTION III. Authority.

- A. All UCIP staff and Board of Directors, with a role in the management of fiscal and accounting operations, are expected to comply with these policies and procedures.

SECTION IV. Applicability and Scope.

- A. These policies and procedures apply to all financial transactions and financial reporting conducted in the scope of business of UCIP.

SECTION V. Definitions

- A. "Board" means the UCIP Board of Directors.
- B. "FDIC" means Federal Deposit Insurance Corporation.
- C. "GRAMA" means the Government Records Access and Management Act.
- D. "I-9 form" means the U.S. Citizenship and Immigration Services Department of Homeland Security Employment Eligibility Verification.
- E. "UCIP" means the Utah Counties Indemnity Pool.
- F. "Unclaimed Property" means an abandoned or lost check.
- G. "W-4" means the Internal Revenue Service Employee Withholding Allowance Certificate.

SECTION VI. Policy Statements

A. Division of Fiscal and Accounting Responsibilities

1. Board of Directors

- a. Reviews and approves the annual budget.
- b. Reviews the annual and periodic financial statements and information.
- c. Reviews the Chief Executive Officer's performance annually and establishes the salary.
- d. Appoints three members of the Board to be authorized signers on the bank accounts.
- e. Appoints four members of the Board to serve as the Audit Committee.
- f. Appoints a Budget Officer, a Chief Administrative Officer, a Clerk, a Deputy Treasurer, a Purchasing Agent and a Records Officer.
- g. Reviews and approves all vendor contracts.
- h. Reviews and approves all expenditures and credit card transactions.
- i. Reviews and advises staff on internal controls and accounting policies and procedures.
- j. Reviews and approves the annual independent audit of financial statements.
- k. Reviews and approves policies and procedures including but not limited to: Board Compensation, Board Training, Dividend, Electronic Meeting, GRAMA, Internal Accounting Controls, Investment, Minutes Recordings and Records, Net Asset Management, Personnel, Purchasing, Reimbursement.

2. Audit Committee

- a. Reviews with the independent auditor the *Audit Plan* prior to the examination of UCIP's financial statements and adhere to the responsibilities and role of the Committee during the audit.
- b. Reviews the professional standards requirements with the independent auditor upon the completion and issuance of the draft audit.
- c. Reviews the draft audit with the Board of Directors for compliance and conformity.

- d. Reviews audit findings and management's responses with the Board of Directors.
- e. Maintains and adheres to the responsibilities outlined in the UCIP Investment Policy.
- f. Designs and implements programs and controls to prevent and detect fraud.

3. **Chief Executive Officer**

- a. Is the Board appointed Chief Administrative Officer.
- b. Is the Board appointed Purchasing Agent.
- c. Is the Board appointed Deputy Treasurer.
- d. Reviews and approves all financial reports including cash flow projections.
- e. Sees that an appropriate budget is developed annually.
- f. Reviews and approves all expenditures.
- g. Approves inter-account bank transfers.
- h. Reviews completed monthly bank reconciliations.
- i. Makes bank deposits.
- j. Reviews and approves all contracts and presents them to the Board of Directors for ratification.
- k. Adheres to the responsibilities outlined in the UCIP Investment Policy.
- l. Oversees the adherence to all internal controls.

4. **Chief Financial Officer**

- a. Is the Board appointed Budget Officer.
- b. Is the Board appointed Clerk.
- c. Is the Board appointed Records Officer.
- d. Assists Chief Executive Officer with the development of annual budget.
- e. Monitors budget.
- f. Reviews and manages cash flow.

- g. Manages the petty cash fund.
- h. Reviews and processes payroll and is responsible for all personnel files.
- i. Overall responsibility for data entry into accounting system and integrity of accounting system data.
- j. Reviews all incoming invoices and prepares all outgoing invoices.
- k. Approves and processes all expenditures.
- l. Monitors and manages all expenses to ensure most effective use of assets.
- m. Reviews and approves all reimbursements requests.
- n. Processes all inter-account bank transfers.
- o. Oversees expense allocations including credit card transactions.
- p. Enters accounts receivable for deposit.
- q. Prepares all financial reports.
- r. Reconciles bank statements and investments financials for approval by the Chief Executive Officer.
- s. Adheres to the responsibilities outlined in the UCIP Investment Policy.
- t. Monitors and makes recommendations for asset retirement and replacement.
- u. Reports budget, investments and financial statements to the Utah State Auditor.
- v. Reports revenue and expense quarterly to the Utah Transparency website using the Uniform Chart of Accounts for Local Governments required by the Utah State Auditor's Office.
- w. Reports compensation annually to the Utah Transparency website.
- x. Reports unclaimed property to the Utah State Treasurer Unclaimed Property Division, pursuant to U.C.A 67-4a, for unclaimed property valued at \$50 or more.
- y. Reviews, revises, and maintains internal accounting controls and procedures.

5. Operations Specialist

- a. Receives, opens and date stamps all incoming mail.
- b. Logs in all received checks and stamps for deposit only to the operating account.
- c. Enters all claim expenditures into the accounting system.
- d. Maintains all W-9 IRS Taxpayer Identification Number and Certification forms to verify all payees.

B. Chart of Accounts and General Ledger

1. UCIP has adopted the uniform chart of accounts for local governments developed by the Utah State Auditor to collect financial information that can be analyzed and compared across entities. UCIP's chart of accounts is specific to its operational needs and the needs of its financial statements. UCIP reports as a single enterprise fund. Under this method of accounting, revenues are recognized when they are earned and expenses are recognized when they are incurred. The Chief Financial Officer is responsible for maintaining the chart of accounts and revising as necessary.
2. The general ledger is automated and maintained using UCIP's accounting system. All input and balancing is the responsibility of the Chief Financial Officer with final approval by the Chief Executive Officer.
3. The Chief Executive Officer reviews the general ledger on a periodic basis for any unusual transactions.

C. Cash Receipts

1. Cash receipts generally arise from member contributions, subrogation, salvage, training registrations and partner sponsorships.
2. The principal steps in the cash receipts process are:
 - a. The Operations Specialist receives incoming mail, opens, date stamps, and distributes the mail.
 - b. The Operations Specialist enters all checks into a log and stamps all checks "for deposit only,".
 - c. The Operations Specialist matches the checks to the invoices and scans a copy of the checks.
 - d. The Operations Specialist delivers the checks to the Chief Executive Officer with a copy of the check to the Chief Financial Officer.

- e. In a timely manner, the Chief Financial Officer enters the receivable into the accounting system and generates a deposit slip for the Chief Executive Officer to print. A scanned image of the check(s) is electronically attached to the deposit in the accounting system.
- f. The Chief Executive Officer prints the deposit slip and verifies that the amount of the check and the amount listed on the deposit slip match. Once the amounts are verified, the Chief Executive Officer takes the deposit to UCIP's financial institution and returns the deposit receipt and deposit slip detail to the Chief Financial Officer to attach to the check copy(ies).
- g. All cash received will be counted, verified, and signed off by the Chief Financial Officer and another available staff member. The cash will immediately be posted using the appropriate allocation. A receipt will be given to the paying party and a copy kept for internal purposes. The cash will be kept in a locked, secure location and deposited, ideally within 24 business hours.

D. Inter-Account Bank Transfers

The Chief Financial Officer monitors the balances in the bank accounts to determine when there is a shortage or excess in the checking account. The Chief Financial Officer recommends to the Chief Executive Officer when a transfer should be made to maximize the potential for earning interest. The Chief Financial Officer is directed by the Chief Executive Officer when to make a transfer and in what amount. A copy of the transfer is given to the Chief Executive Officer to sign and the Secretary/Treasurer of the Board to ratify.

E. Cash Disbursements and Expense Allocations

- 1. Cash disbursements are generally made for:
 - a. Payments to vendors for goods and services.
 - b. Payments to attorneys for defense of claims or gross proceeds.
 - c. Payments to claimants or members.
 - d. License fees and dues.
 - e. Staff training and development.
 - f. Memberships and subscriptions.
 - g. Risk Management training for members.
 - h. Employee reimbursements.

- i. Board mileage.
 - j. Marketing/promotional materials
2. Disbursements for claims are entered into UCIP's accounting system by the Operations Specialist. Disbursements for accounts payable are entered into UCIP's accounting system by the Chief Financial Officer. All disbursements are processed weekly via electronic Automated Clearing House (ACH) or bill pay through UCIP's financial institution by the Chief Financial Officer. A secondary approval for ACH disbursements are made by the Chief Executive Officer through the financial institution. Copies of all disbursements and supporting documentation/invoices are provided to the Chief Executive Officer to approve that the amounts entered and the supporting documentation/invoices match. All documentation is also provided to the Secretary-Treasurer of the Board to approve. All disbursements are provided to the Board to ratify.
 3. Requests for cash disbursements are submitted to the Chief Financial Officer in the following ways:
 - a. Original invoice.
 - b. Claim documentation.
 - c. Employee expense report or reimbursement request.
 - d. Board mileage/expense reimbursement request.
 4. Every employee and Board Member expense report or reimbursement request must be documented on the approved form with receipts attached. Employees follow the Reimbursement Policy approved by the Board for lodging, meals and incidentals, mileage and other expenditures.
 5. The Chief Financial Officer reviews all requests for payment and:
 - a. Verifies expenditure and amount.
 - b. Approves for payment if in accordance with budget.
 - c. Provides or verifies appropriate allocation information.
 - d. Provides date of payment taking into account cash flow projections.
 - e. Processes the reimbursement in accordance with the cash disbursements controls.
 - f. Files all backup documentation in the appropriate file.

F. Credit Card Policy and Charges

1. All staff members who are authorized to carry an organization credit card will be held personally responsible in the event that any charge is deemed personal or unauthorized. Unauthorized use of the credit card includes: personal expenditures of any kind; expenditures which have not been properly authorized; meals, entertainment, gifts, or other expenditures which are prohibited by budgets, laws, and regulations, and the entities from which UCIP receives funds.
2. The receipts for all credit card charges will be given to the Chief Financial Officer within two weeks of the purchase along with proper documentation. The Chief Financial Officer will verify all credit card charges with the monthly statements and will post the expenses to the proper uniform account and process the payment to the financial institution. The monthly statement and supporting documentation and receipts will be submitted to the Secretary-Treasurer of the Board for approval and presentation to the Board for ratification.

G. Accruals

1. To ensure a timely close of the General Ledger, UCIP may book accrual entries. Some accruals will be made as recurring entries.
2. Accruals to consider:
 - a. Monthly interest earned on investments.
 - b. Recurring expenses, including employee vacation and sick leave accrual, prepaid expenses, depreciation, etc.

H. Bank Account Reconciliations.

1. The bank statements are provided electronically from UCIP's financial institution to the Chief Financial Officer.
2. The Chief Financial Officer timely reconciles the bank statements as follows: a comparison of dates and amounts of deposits as shown in the accounting system and on the statement, a comparison of inter-account transfers, an investigation of any rejected items, a comparison of cleared disbursements with the accounting record including amount, payee, and sequential check numbers.
3. The Chief Financial Officer will investigate any checks that are outstanding over six months.
4. The Chief Financial Officer will attach the completed bank reconciliation to the applicable bank statement, along with all documentation including the account transaction report and give it to the Chief Executive Officer to review, approve, date and sign.

I. Petty Cash

1. Petty cash is maintained by UCIP. The cash is to be used for miscellaneous or unexpected purchases and the same approval procedures apply as mentioned in the cash disbursement section.
 - a. Petty cash will not exceed \$100 and is kept in a locked file at all times.
 - b. The Chief Financial Officer oversees petty cash.
 - c. Receipts for items purchased with petty cash are kept with the petty cash.
 - d. An accounting of all allocations is kept with the petty cash.
 - e. The Chief Financial Officer and the Chief Executive Officer together will periodically count the petty cash.
 - f. No checks will be cashed by the petty cash fund.

J. Property and Equipment.

1. Property and equipment includes items such as:
 - a. Office furniture and equipment.
 - b. Computer hardware.
 - c. Computer software.
 - d. Land
2. ~~It is the organization's policy to capitalize all~~ All items which have a unit cost greater than ~~\$500~~ \$5,000 will be capitalized. Items purchased with a value or cost less than ~~\$500~~ \$5,000 will be expensed in the period purchased.
3. Depreciation on furniture, equipment and electronic data processing equipment is provided over the estimated useful lives of the assets on the straight-line method of accounting. Useful lives vary from three to five years. Depreciation is recorded quarterly.
4. Land is exempt from depreciation.
5. A Fixed Asset Log is maintained by the Operations Specialist including date of purchase, asset description, value and identification number. Annually, a physical inspection and inventory will be taken of all fixed assets.
 - a. The Fixed Asset Log will be reviewed by the Chief Financial Officer and reconciled to the general ledger balances.

~~b. Annually, a physical inspection and inventory will be taken of all fixed assets and reconciled to the general ledger balances.~~

~~c. Depreciation is recorded quarterly.~~

6. Disposition of Property

a. Disposition of UCIP property items may be through the Public Surplus online auction. If property is unsuccessfully auctioned, items may be offered for sale to the counties of Utah and to the public through media methods.

b. The value of property may be determined by using the estimated useful life of the item.

c. Sales tax will not be included in the sale of property for exempt organizations.

d. Sales tax will be included in the sale of property to the public.

K. Personnel Records

1. All personnel files contain the following documents: an application and/or résumé date of employment, position and pay rate, authorization of payroll deductions, W-4 ~~withholding authorization~~, termination data (where applicable), a signed acknowledgement of receipt of the Personnel Policy, an emergency contact form, and other forms as deemed appropriate by the Chief Financial Officer.
2. All employees will fill out an I-9 form and submit the allowable forms of identification to the Chief Financial Officer.
3. The completed I-9 forms will be kept in a secure location separate from the personnel files.
4. All personnel files are to be kept in a secure, locked file cabinet and accessed only by authorized personnel.

L. Payroll Processing

1. Timesheets are to be prepared by staff on the approved form and submitted on the 15th and the last day of the month.
2. Timesheets are to be kept on a daily basis and prepared electronically.
3. The Chief Financial Officer will process payroll in a timely manner and record vacation time, holiday hours, sick time, and any other information deemed necessary to properly reflect time worked.

4. Payroll is processed electronically and deposited directly into each employee's personal account on the 15th and the last day of each month. If the 15th or the last day of the month falls on a weekend or holiday, payroll will be processed the Friday before the weekend or the day before the holiday.
5. Employees receive a verification stub when payroll is processed.
6. If the employee requests that his/her check be turned over to a third party, the request must be made in writing prior to distribution.
7. The Chief Executive Officer will review payroll expenditures and allocations monthly.
8. All federal and state payroll expenses and reports will be prepared and filed appropriately.
9. All W-2 statements are issued to employees prior to January 31st of the following year for the prior calendar year.

M. End of Month and Fiscal Year-End Close.

1. The Secretary/Treasurer of the Board will review and sign off on all month- and year-end journal entries. They will be printed and filed for audit trail purposes.
2. At the end of each quarter and fiscal year end, the Chief Executive Officer will review all balance sheet accounts including verification of the following balances: cash accounts match the bank reconciliations, fixed assets accounts reflect all purchases, investments, retirements, accounts receivable and payable accounts match outstanding amounts due and owed.
3. The income and expense accounts review will include reconciliation to amounts received and expended and verification that payroll expenses match the payroll reports including federal and state payroll tax filings.
4. Once the final quarterly and fiscal year-end financial statements are run, reviewed, and approved by the Chief Financial Officer and the Chief Executive Officer, no more entries or adjustments will be made into that month or year's ledgers.
5. All other appropriate government filings including those required by the state tax board and attorney general's office will be completed and filed with the appropriate agency.

N. Financial Reports

1. The Chief Financial Officer will prepare the quarterly and annual financial reports for distribution to the Board. The reports will include: balance sheet, statement of income and expenses and cash flow projection.

2. Quarterly and annual financial reports will be submitted to the Audit Committee and Board for review and approval.

O. Fiscal Policy Statements

1. All cash accounts owned by UCIP will be held in financial institutions which are insured by the FDIC. No bank account will carry a balance over the FDIC insured amount.
2. Employee or public personal checks will not be cashed through the petty cash fund.
3. No salary advances will be made under any circumstances.
4. Travel cash advances must be pre-approved by the Chief Executive Officer.
5. Reimbursements will be paid upon complete expense reporting and approval using the official UCIP form.
6. The Chief Executive Officer, the Claims Manager, the Chief Financial Officer and three designated Board members are the signatories on UCIP's bank accounts.
7. Bank statements will be reconciled monthly.
8. Correction fluid and/or tape will never be used in preparing timesheets or any accounting documents.
9. Accounting and personnel records will be kept in locked file cabinets in the Chief Financial Officer's office and only the Chief Executive Officer will have access to the keys.

SECTION VII. Revision History.

- A. Original Policy Adoption: August 17, 2017
- B. Revised: February 15, 2018
- C. Revised: August 22, 2018

SECTION VIII. Appendices.

- A. There are no appendices to this policy.

**UTAH COUNTIES INDEMNITY POOL
PRE-LOSS LEGAL ASSISTANCE PROGRAM POLICY**

SECTION I. Effective Date and Frequency of Review.

- A. The UCIP Board of Directors authorized staff to provide Members access to UCIP Defense Panel attorneys for limited consultative service prior to a claim being filed against the member, at no direct cost to the member, since sometime in the early 2000's (referred to as the UCIP Legal Hotlines). This Pre-Loss Legal Assistance Program Policy sets into policy the intent, procedures and scope of that Member service.
- B. This policy should be reviewed annually, but not less than every five years by the Board of Directors. This policy will also be reviewed any time that changes to laws governing the provision of legal services to a county or public agency are amended in a manner which would require review and update to this policy.

SECTION II. Purpose.

- A. The Pre-Loss Legal Assistance Program Policy outlines the policy of the UCIP Board of Directors related to UCIP providing access to and paying the cost of Members accessing attorneys on UCIP's Defense Panel for consultative services on issues which may lead to a civil claim against the Member, but for which the Member has received no notice of claim or suit.

SECTION III. Authority.

- A. The Board has the authority to adopt this policy under the UCIP Interlocal Agreement and Bylaws.

SECTION IV. Applicability and Scope.

- A. This policy applies to all legal consultative services provided by attorneys on UCIP's Defense Panel at UCIP expense to a Member prior to the Member being put on notice of a claim or suit related to the issue the consultative services are being provided for.

SECTION V. Definitions.

- A. "Board" means the UCIP Board of Directors.
- B. "Covered Claim" means a third-party claim for damages which is covered under the terms and conditions of the UCIP Bylaws Coverage Addendum.
- C. "Defense Panel" means those attorneys approved by the Board of Directors to provide legal assistance to defend covered claims against UCIP Members.

- D. "Member" means a current member of UCIP.
- E. "Pre-Loss Legal Assistance" means legal consultative services provided by attorneys on UCIP's Defense Panel at UCIP expense to a Member prior to the Member being put on notice of a claim or suit related to the issue the consultative services are being sought.
- F. "UCIP" means the Utah Counties Indemnity Pool.

SECTION VI. Policy Statements.

- A. The Board of Directors believe that providing Members Pre-Loss Legal Assistance will result in many conflicts being resolved without a claim or suit being filed against the Member.
- B. The Board of Directors believe that providing Members Pre-Loss Legal Assistance will limit UCIP's ultimate cost to defend the Member from claims or suits filed against the Member.

SECTION VII. Procedures and Responsibilities.

- A. Members may access legal consultative assistance from attorneys on UCIP's Defense Panel for issues which may result in a covered claim against the Member.
- B. UCIP will cover the cost of Pre-Loss Legal Assistance at rates approved for Defense Panel attorneys for up to two hours of services for each issue that may result in a covered claim. Pre-Loss Legal Assistance requiring more than two hours of consultative services must be approved by the CEO.
- C. Members may access additional assistance beyond that approved under the Pre-Loss Legal Assistance Program at their own cost. If a covered claim does result, UCIP may, at its option, reimburse additional assistance paid by the Member which limits UCIP's cost to defend the claim.
- D. UCIP will not reimburse or otherwise be responsible for the cost of legal consultative assistance provided by an attorney that is not approved to the UCIP Defense Panel at the time services are provided.
- E. UCIP will not reimburse or otherwise be responsible for the cost of legal consultative assistance related to an issue which would not result in a covered claim unless approved by the CEO.
- F. A Member which is a county must have approval of the Member's County Attorney to utilize the UCIP Pre-Loss Legal Assistance Program.

- G. UCIP Defense Panel attorneys who are contacted by a Member seeking Pre-Loss Legal Assistance must contact the Member's attorney to coordinate on any opinion or advice to be provided the Member prior to providing such opinion or advice.
- H. Any information provided Members about the UCIP Pre-Loss Legal Assistance Program will include clarification that services under the program must be coordinated with the Member's attorney.

SECTION VIII. Revision History.

- A. Adopted August 22, 2018

SECTION IX. Appendices.

There are no appendices to this policy.

UTAH COUNTIES INDEMNITY POOL REIMBURSEMENT POLICY

SECTION I. **Effective Date and Frequency of Review.**

- A. Prior to adoption of this policy, policy and procedures related to reimbursement of expenses was based on requirements set out in the UCIP Bylaws and the UCIP Personnel Handbook. The original adoption date of this policy is August 18, 2016.
- B. This policy should be reviewed annually, but not less than every five years by the Board of Directors. This policy will also be reviewed any time that changes to laws governing the provision of legal services to a county or public agency are amended in a manner which would require review and update to this policy.

SECTION II. **Purpose.**

- A. This policy defines the ~~travel-reimbursement~~ policy for UCIP ~~Trustees-Directors~~ and employees to assure compliance with rates set in accordance with U.C.A. 63A-3-107 and to assure proper oversight of public funds. It is the intent of the UCIP Board of ~~Trustees~~ Directors for all rates of reimbursement under this policy comply with the maximums set out in Rule R25-7 (see Appendix A) and any reimbursement rate identified in this policy which exceeding differs from rates set out in the rules is considered amended to comply with the rule.

SECTION III. **Authority.**

- A. The Board has the authority to adopt this policy under the UCIP Interlocal Agreement and Bylaws.

SECTION IV. **Applicability and Scope.**

- A. This policy applies to all reimbursement of all travel related transportation, lodging, meal and incidental expenses to members of the UCIP Board of Directors and UCIP employees.

SECTION V. **Definitions.**

- A. “Board” means the Board of Directors of the Utah Counties Indemnity Pool.
- B. “CEO” means the Chief Executive Officer of the Utah Counties Indemnity Pool.
- C. “CFO” means the Chief Financial Officer of the Utah Counties Indemnity Pool.
- D. “Director” means an individual member of the UCIP Board of Directors.

- E. "Home" means either the traveler's actual home, or their office, depending on where they depart from or return to.
- F. "Traveler" means a UCIP ~~Trustee~~ Director or employee traveling on UCIP business.
- G. "Original receipt" or "original invoice" means a hardcopy receipt or invoice received directly from the vendor at the time of purchase and includes any faxed, ~~or~~ scanned or electronic receipt/invoice received directly from a vendor.
- H. "UCIP" means the Utah Counties Indemnity Pool.

SECTION VI. Policy Statements.

- A. The rates identified in this policy are meant to follow the rates ~~required-established~~ by U.C.A. 63A-3-107 and rules adopted in accordance with statutes, and all rates identified herein are considered amended to comply with such statutes and rules at the effective date of any change to statute or rule.
- B. When approval is required by the CEO, and the CEO is the traveler, the approval shall be made by the CFO. When approval is required by the CFO and the CFO is the traveler, the approval shall be made by the CEO.
- C. The traveler is responsible for any tax consequences associated with this reimbursement policy.
- D. Transportation Expenses
 - 1. Commercial Airlines
 - a. Reservations
 - (i) Reservations (in-state, out-of-state, and foreign travel) should be made through the CFO in an effort to determine the least expensive air fare available at the time reservations are made. Where special and reduced fares are available, they may be secured with approval of the CFO.
 - (ii) Travelers making their own travel arrangements should consider making reservations far enough in advance and flying off-peak times of the week to qualify for discount fares, if possible. If a traveler has made alternate travel arrangements, which resulted in higher cost to UCIP, without the approval of the CFO, the traveler must reimburse UCIP for the additional cost. If a traveler makes their own travel arrangements a copy of the traveler's itinerary must be attached to the Travel Reimbursement Request.

- (iii) Travelers may stay at their destination over a weekend if it reduces the total cost of the trip (i.e., the ticket savings is greater than the cost of lodging and per diem.) The traveler does not earn comp time or overtime for the weekend stay. Traveler should be as flexible as possible on flight times and travel days.
- (iv) Priority seating charges will not be reimbursed unless preapproved by the CFO. Exceptions will be allowed for unusual circumstances when approved by the CFO or CEO prior to the trip.
- (v) Only one change fee per trip will be reimbursed by UCIP. An explanation for any additional changes or any other exception to this policy must be given and approved by the CFO or CEO.
- (vi) a traveler chooses to make a same-day change to a different flight, they may do so without prior approval of the CFO as long as the fee is not more than \$50.
- (vii) Travelers will be reimbursed for mileage to and from the airport, or mileage to and from the airport for someone to drop off and pick up the traveler (two trips).
- (viii) Travelers will be reimbursed for long-term parking or away-from-the-airport parking. The maximum reimbursement for parking is the long-term parking rate at the airport they are flying out of. If the parking reimbursement is \$20.00 or more, the parking receipt must be included with the Travel Reimbursement Request).

b. Discounts, Credits, and Special Coupons

- (i) Personal airline frequent flyer programs and hotel frequent lodging programs, credit card programs and any other programs which give a traveler on UCIP business credit for miles/hours flown, or nights lodged shall be considered the property of the traveler.
- (ii) A traveler may utilize such credits while travelling on UCIP business; however, the traveler will not be reimbursed for the credits.
- (iii) Discounts, credits, miles, special coupons or other benefits earned on a UCIP credit card or bank card as a result of trustee or employee travel shall be considered the property of UCIP and may not be used by trustees or employees for personal use.

2. Private Vehicles

a. Use of Private Vehicle/Member Owned Vehicle by Director

- (i) Directors using a private vehicle for UCIP business travel will be reimbursed at the rate allowed under Rule R25-7.
- (ii) If the Director uses a Member owned vehicle for UCIP business travel, the Member will be reimbursed at the rate allowed under Rule R25-7.
- (iii) Only one person in a vehicle may receive the reimbursement, regardless of the number of people in the vehicle.

b. Use of Private Vehicle by Employee

- (i) Employees who receive an automobile allowance will be reimbursed 38-42 cents per mile.
- (ii) Employees who chose to use a private vehicle when they have the option of riding with an employee who receives an automobile allowance will be reimbursed 38-42 cents per mile.
- (iii) Employees using private vehicles on approved UCIP business when the option of riding with an employee who receives an automobile allowance is not available will be reimbursed at the rate allowed under Rule R25-7.
- (iv) When one or more employees are planning to attend the same meeting, travel in private vehicles will be approved only for the number of vehicles sufficient to transport those attending at the discretion of the CEO. Employees who chose to use a private vehicle when they have the option of riding with another employee attending the same meeting will not be reimbursed unless preapproved by the CEO. If use is approved by the CEO the employee will be reimbursed at the rate of 38-42 cents per mile.
- (v) Only one person in a vehicle may receive the reimbursement, regardless of the number of people in the vehicle.

c. Mileage Computation/Parking

- (i) Mileage reimbursement will be computed based on the most economical (fastest or shortest) route.
- (ii) Vicinity and/or local travel made during a UCIP business trip should be recorded separately from mileage between points of

travel. Personal travel such as to restaurants, movies, etc. is not reimbursable.

- (iii) If the traveler uses a private vehicle on official UCIP business and is reimbursed for mileage, parking charges may be reimbursed at actual cost as an incidental expense.

d. Insurance on Private Vehicles

- (i) The reimbursement rate includes an amount for the cost of insurance of a personal auto.
- (ii) Physical damage to a traveler's personal auto is the responsibility of that individual or his/her insurance company. However, if the vehicle was being used on approved UCIP business travel at the time of the accident, the traveler may be reimbursed their deductible up to \$500.
- (iii) An automobile liability claim arising during approved UCIP business travel against a traveler is the responsibility of that individual or his/her insurance company. However, if the claim is in excess of the limits carried by the traveler on their personal auto policy, a claim should be filed with UCIP.

e. Driving a Private Vehicle Instead of Using Commercial Airline

- (i) A traveler may drive a personal vehicle instead of flying if pre-approved by the CEO.
- (ii) A traveler may be reimbursed for meals, lodging and incidental expenses (such as toll fees, parking fees, etc.) for a reasonable amount of travel time, however, if the total cost of the trip exceed the equivalent cost of the airline trip the traveler will be reimbursed the amount of the equivalent airline trip only.
- (iii) The traveler may be required to submit a schedule comparing the cost of driving with the cost of flying for the CEO to make a determination on approval. The schedule should show that the total cost of the trip driving compared to the total cost of the trip flying. The comparison should show the lowest airfare within 30 days prior to the departure date (15 to 30-day advance reservation), round trip mileage from home base to the airport, airport parking at the current long-term parking rate, and the cost of a shuttle, taxi or rental car. If a comparison is requested, it should be attached to the Travel Reimbursement Request.

3. Rental Vehicles

a. Approval/Reimbursement

- (i) Rental car use for UCIP business travel must be preapproved by the CEO.
- (ii) If the cost of rental car use including gas charges, insurance and incidental rental charges is less than the equivalent mileage reimbursement for personal vehicle use, the employee will be reimbursed for all such actual rental costs.
- (iii) If the cost of a rental car for instate travel exceeds the cost of equivalent mileage reimbursement for personal vehicle use, the employee will be reimbursed the amount of the equivalent personal vehicle use reimbursement only.
- (iv) Travelers must rent vehicles to be used for approved UCIP business in their own names.
- (v) The traveler will be reimbursed the actual rate charged by the rental agency for a standard mid-sized car. Upgrades in size or model, made when picking up the rental vehicle, will not be reimbursed.
- (vi) The traveler must have approval for a rental car, as described above, in order to be reimbursed for rental car parking.
- (vii) Traveler should not accept the fuel purchase option upon pick up of the rental car unless they are certain they will use enough gas to make that option cost effective. If this option is accepted solely for convenience at a higher cost than returning the vehicle with the same level of fuel as when picked up, the traveler will not be reimbursed. If the fuel purchase option is not used, the traveler will be reimbursed for the actual cost of fuel to return the vehicle with the same level of fuel as when picked up. Employees with UCIP business credit cards may use the card to purchase fuel for rental vehicle.

b. Rental Vehicle Insurance

- (i) As most Utah automobile insurance policies include insurance coverage within the 50 states and the District of Columbia, and UCIP's liability coverage will cover claims in excess of policy limits, travelers should not need to purchase additional liability or

physical damage insurance on the rental agreement. Travelers should check with their insurance agent to confirm if their policy covers liability and physical damage to rental vehicles. If the rental company offers Loss of Use insurance, which is not covered by personal insurance or UCIP, that additional insurance should be purchased and will be reimbursed to the traveler. If the traveler chooses to buy additional insurance other than Loss of Use insurance for rentals within the 50 states and the District of Columbia, the traveler will not be reimbursed for such additional insurance. If the travel is outside the 50 states and the District of Columbia, the additional insurance should be purchased and will be reimbursed.

- (ii) Liability and physical damage coverages provided by UCIP are for travelers on official UCIP business and necessary associated use only. It will not extend to side trips and other personal use by the traveler. Travelers should be sure their personal insurance will cover the rental vehicle for personal use.

E. Lodging Expenses

1. Hotel Lodging

a. Conference Hotel Lodging

- (i) For stays at a conference hotel, traveler will be reimbursed the actual cost plus tax for both in-state and out-of-state travel.
- (ii) The traveler should coordinate with the CFO to make reservations but may make their own reservations for the conference hotel if special accommodations are needed.
- (iii) Additional costs for special accommodations and incidental room charges are not reimbursable to the traveler.

b. Non-Conference Hotel Lodging

- (i) For in-state lodging at a non-conference hotel secured by the traveler, UCIP will reimburse the actual cost up to the rate set out in Rule 25-7 per night for single occupancy plus tax and any mandatory fees charged by the hotel, except as noted in the Table.
- (ii) For out-of-state lodging at a non-conference hotel booked by the traveler, UCIP will reimburse the actual cost per night plus tax and any mandatory fees charged by the hotel, not to exceed the federal lodging rate for the location (see: gsa.gov).

- (iii) UCIP will reimburse the actual cost per night plus tax and any mandatory fees charged by the hotel, for in-state or out-of-state non-conference travel stays when reservations are booked by the CFO. If lodging is not available at the allowable rate in the area the traveler needs to stay, the CFO will book a hotel with the best available rate. In this circumstance, the traveler will be reimbursed at the actual rate booked plus tax and any mandatory fees charged by the hotel.
- (iv) If a traveler chooses to stay at an in-state non-conference hotel other than one booked by the CFO that costs more than the In-State Hotel Rate Table 5 limit, the traveler will only be reimbursed the for the allowable rate plus tax and any mandatory fees charged by the hotel.
- (v) If a traveler chooses to stay at an out-of-state non-conference hotel other than one booked by the CFO that costs more than the federal lodging rate for the location (see www.gsa.gov), the traveler will only be reimbursed the for the allowable rate plus tax and any mandatory fees charged by the hotel.
- (vi) Employees traveling less than 50 miles in excess of their normal office commute are not entitled to lodging reimbursement without preapproval of the CEO.
- (vii) When UCIP pays for a person from out-of-state to travel to Utah for UCIP business, reimbursement will be made on the same basis as for a trustee or employee.
- (viii) Lodging is reimbursed at the rates listed above for single occupancy only. For double traveler occupancy, triple traveler occupancy, and quadruple travel occupancy see rates set out in Rule 25-7.
- (ix) Exceptions will be allowed for unusual circumstances when approved by the CEO or CFO prior to the trip.
- (x) When lodging is required, travelers should stay at the lodging facility nearest to the meeting/training/work location in order to minimize transportation costs.

c. Hotel Lodging Receipts

- (i) A proper receipt for lodging accommodations must accompany each request for reimbursement.

- (ii) A proper receipt is a copy of the registration form generally used by motels and hotels which includes the following information:
 - (A) Name of hotel;
 - (B) Street address of hotel;
 - (C) Town and state of hotel;
 - (D) Telephone number of hotel;
 - (E) Current date;
 - (F) Name of person or persons staying at the hotel;
 - (G) Date(s) of occupancy;
 - (H) Amount and date paid;
 - (I) Signature of agent;
 - (J) Number in the party; and
 - (K) Occupancy (single, double, triple, or quadruple).

2. Lodging at other than a Hotel

a. Private Residence

- (i) Travelers that stay with friends or relatives at a private residence rather than a hotel will be reimbursed at the rate per night set out by Rule 25-7 with no receipts required.

b. Camper/Trailer

- (i) Travelers that use personal campers or trailer homes instead of staying in a hotel will be reimbursed at the rate set out by Rule 25-7 per night with no receipts required, or actual cost up to the rate set out by Rule 25-7 per night with a signed receipt from a facility such as a campground or trailer park.

F. Meal Expenses

1. Allowance Rates

a. In-State Travel

- (i) The basic meal allowance for a 24-hour period of travel is set out in Rule 25-7.
- (ii) The allowance rates include tax, tip, ~~etc.~~ and other expenses associated with the meals.

b. Out-of-State Travel

- (i) The basic meal allowance for a 24-hour period of travel is set out in Rule 25-7.

c. Out-of-State Travelers Who Come to Utah

- (i) When UCIP pays for an out-of-state person to travel to Utah, the traveler may be reimbursed up to the out-of-state meal per-diem as set out in Rule 25-7.
- (ii) Exceptions may be allowed for unusual circumstances when approved by the CEO or CFO prior to the trip.

d. Tier I Premium Locations

- (i) Tier I Premium Locations are:
 - (A) Anchorage
 - (B) Chicago
 - (C) Hawaii
 - (D) New York City
 - (E) San Francisco
 - (F) Seattle
- (ii) For meals in Tier I Locations the traveler may choose to accept the per diem rate for out-of-state travel or to be reimbursed at the actual meal cost, with original receipts, up to ~~\$66~~the rate set out in Rule 25-7 per day.
- (iii) The traveler may choose different reimbursement methods during the trip; however, the same method of reimbursement must be used for an entire day.
- (iv) The traveler will qualify for premium location rates on the day travel begins and/or the day travel ends only if the trip is of sufficient duration to qualify for all meals on those days.
- (v) Reimbursement is for the traveler only. If more than the traveler's meal is charged on a receipt, this must be deducted to reflect the traveler's costs only.
- (vi) Actual meal cost includes tax and tip.
- (vii) Alcoholic beverages are not reimbursable.

e. Tier II Premium Locations

- (i) Tier II Premium Locations are:
 - (A) Atlanta

- (B) Baltimore
- (C) Boston
- (D) Dallas
- (E) Los Angeles
- (F) San Diego
- (G) Washington, DC

- (ii) The traveler may choose to accept the per diem rate for out-of-state travel or to be reimbursed at the actual meal cost, with original receipts, up to the rate set out in Rule 25-7 per day.
- (iii) The traveler may choose different reimbursement methods during the trip; however, the same method of reimbursement must be used for an entire day.
- (iv) The traveler will qualify for premium location rates on the day travel begin and/or the day travel ends only if the trip is of sufficient duration to qualify for all meals on those days.
- (v) Reimbursement is for the traveler only. If more than the traveler's meal is charged on a receipt, this must be deducted to reflect the traveler's costs only.
- (vi) Actual meal cost includes tax and tip.
- (vii) Alcoholic beverages are not reimbursable.

2. Complimentary Meals

- a. Complimentary meals of a hotel, motel, and/or association and meals included in the conference registration costs are deducted from the premium location allowance as set out in Rule 25-7.

3. Allowance Computation

a. The Day Travel Begins

- (i) The meal reimbursement the traveler is entitled to is determined by the time of day he leaves his home. (Travelers living on the Wasatch front are allowed one to two hours' time for travel and reporting for boarding prior to the scheduled departure time. Travelers may be required to be at the airport earlier to go through security.) The 24-hour period is divided into four quarters for making the determination (see Table 3, Appendix A)

b. Days at the Location

- (i) The traveler is entitled to the total meal allowance, as described above. This is reduced by any complimentary meals or meals included in function registration costs. (See Complimentary Meals and Meals Included in a Registration Fee in this policy.)

c. The Day Travel Ends

- (i) The meal reimbursement the traveler is entitled to is determined by the time of day he returns to his home. The 24-hour period is divided into four quarters for making the determination (see Table 4, Appendix A)

d. Tips and Tax on Meals

- (i) Tips and tax on meals are included in the per diem amount.

e. Allowances for Non-Overnight Trips

- (i) Under the following conditions an employee may be authorized by the CEO to receive a taxable* meal allowance when their destination is at least 100 miles from their home and they do not stay overnight:

- (A) Breakfast, when the individual leaves their home base before 6:00 a.m.;
- (B) Lunch, when the trip warrants entitlement to breakfast and dinner, the traveler leaves their home base before 10:00 a.m. and returns to their home base after 2:00 p.m. or the CEO provides approval based on circumstances;
- (C) Dinner, when the individual returns to their home base after 6:00 p.m.

*Required by IRS regulations for travel without overnight lodging

- (ii) A meal allowance shall not be claimed or authorized for any complimentary meal(s) received by the employee.

f. Complimentary Meals

- (i) Complimentary meals of a hotel, motel, and/or association, and meals included in the registration cost are deducted from the total daily meal allowance.

- (ii) Meals provided on airlines will not reduce the meal allowance.
- (iii) Continental breakfasts will not reduce the meal allowance. Please Note: For breakfast, if a hot food item is offered, it is considered a complimentary meal, no matter how it is categorized by the hotel/conference facility. The meal is considered a “continental breakfast” if no hot food items are offered.

g. Meals Included in a Registration Fee

- (i) The value of meals included in the registration for a function will be deducted according to the allowances listed above.
- (ii) Continental breakfasts will not reduce the meal allowance.

h. Foreign Countries

- (i) The traveler may choose to accept the per diem rate for out-of-state travel or to be reimbursed the actual meal cost, with original receipts, not to exceed the United States Department of State Meal and Incidental (M&IE) rate for their location as of the date of travel.
- (ii) The traveler may combine reimbursement methods during a trip; however, he/she must use the same method of reimbursement for an entire day.
- (iii) Reimbursement is for the traveler only.
- (iv) If more than the traveler's meal is charged on a receipt, this must be deducted to reflect the traveler's costs only.
- (v) Actual meal cost includes tax and tip.
- (vi) Alcoholic beverages are not reimbursable.

F. Incidental Expenses

1. Reimbursable Incidental Expenses

a. Gratuities/Tips

- (i) Gratuities/Tips for various services such as assistance with baggage, maid service and bellman may be reimbursed up to an amount set out in Rule 25-7.

- (ii) Allowances for meal reimbursements are inclusive of tax and tips and should not be reimbursed as incidental expenses.

b. Ground Transportation

- (i) Ground transportation expense for all official business use of taxi, bus, and other ground transportation will be reimbursed at actual cost.
- (ii) Ground transportation for non-UCIP business use is not reimbursable.

c. Parking Expense

- (i) If the traveler uses a private vehicle or rental vehicle on official UCIP business and is reimbursed for mileage, parking charges may be reimbursed as an incidental expense.
- (ii) Airport parking reimbursement is limited to the long-term parking rate at the airport the traveler is departing from.
- (iii) Hotel parking will be reimbursed as an incidental expense if it is not included on the hotel bill, in which case it will be reimbursed as lodging expense.

d. Registration

- (i) Registration fees for conferences or courses should be paid in advance by the CFO.
- (ii) If the traveler must pay the registration when they arrive, the traveler may use a UCIP business credit card if one is issued to them or may be reimbursed the registration as an incidental expense.

e. Laundry

- (i) Actual laundry expenses up to \$18 per week will be allowed for trips in excess of six consecutive nights, beginning after the sixth night out.

f. Miscellaneous

- (i) An amount set out in Rule 25-7 will be allowed for travelers away in excess of six consecutive nights, beginning after the sixth night

out. This amount is intended to cover other miscellaneous incidentals not included in this policy.

- (ii) This allowance is not available for travelers attending conferences.

2. Documentation for Incidental Expenses

a. Receipts

- (i) Original receipts should be provided whenever possible.
- (ii) A completed Expense Report signed by the traveler in lieu of original receipt is acceptable for documenting expenses of \$20 or less.
- (iii) Reimbursement of individual incidental expenses of more than \$20 without an original receipt must be approved by the CEO.

SECTION V. Procedures and Responsibilities.

C. Reimbursement from UCIP

1. Expense Reimbursement Request

- a. Travelers must submit a UCIP Expense Statement to receive reimbursement from UCIP under this policy.
- b. The form must have the traveler's original signature verifying the expenditures.

2. Receipts

- a. Original receipts should be provided with the Expense Statement whenever possible.
- b. A completed Expense Statement signed by the traveler in lieu of original receipt is acceptable for documenting expenses of \$20 or less.
- c. Reimbursement of individual expenses of more than \$20 without an original receipt must be approved by the CEO.

3. Reimbursement Approval

- a. With the exception of the CFO, all travel expense vouchers must be approved by the CFO.

- b. If the traveler is the CFO, he/she should sign as the traveler but have the CEO sign for approval.

D. Reimbursement by a Third Party

4. Third Party Reimbursement to UCIP

- a. If a third party will reimburse travel related expenses of an employee that travels on UCIP time or for UCIP business, the traveler may seek reimbursement from UCIP and assist with UCIP's reimbursement by the third party.
- b. This option should be used if the third-party reimbursement is less than what would be allowed by this policy.
- c. Employee should submit a UCIP Expense Statement in accordance with section 1.A. above for reimbursement from UCIP.
- d. Employee must provide UCIP all documentation required by the third party for reimbursement.

5. Third Party Reimbursement Directly to Employee

- a. If a third party will reimburse the travel related expenses of an employee that travels on UCIP time or for UCIP business, the employee may seek direct reimbursement from the third party.
- b. If the employee is reimbursed directly from the third party, documentation of such reimbursement must be provided to the CFO to assure there has been no duplication of reimbursement, and to retain for tax audit purposes.
- c. In these instances, the maximum that the employee may be reimbursed for meals without tax consequence is the ~~federal meal~~ United States Department of State Meal and Incidental Expense (M&IE) rate for their travel destination.
- d. If the amount reimbursed by the third party is greater than allowed by this policy, the difference should be returned to the third party by the employee. If retained by the employee, the amount in excess of this policy must be included in the taxable income ~~on the W-2~~ of the employee.

6. Third Party Reimbursement to Employee When UCIP has Reimbursed Employee

- a. If an employee receives reimbursement from a third party for expenses that have been reimbursed by UCIP under this policy, the employee must deposit the total third-party reimbursement with the CFO as a refund of expenditure.

7. Exceptions to Reimbursement Policy

- a. If unique circumstances may prevent a traveler from following this policy, a request for an exception may be made to the CEO.

E. Advance Reimbursement of Expected Expenses

1. Meal & Incidental Per Diem Advances

- a. Advances for meals and incidentals are available at the discretion of the CFO.
- b. If the traveler has changes to their travel and are not eligible for reimbursement in the amount of the advance, the amount in excess of the advance will be deducted from other reimbursable expenses submitted for the trip, or on future Expense Statements at the discretion of the CFO.

2. Exceptions

- a. Any exception to this policy must be approved in writing by the CEO.
- b. If an advance has been made that was in excess of the actual expense, and the excess amount may not be recoverable for any reason, the CFO shall notify the Board of Directors at their next meeting of such circumstance.

SECTION V. Revision History.

- A. Adopted: August 18, 2016
- B. Revised: February 16, 2017
- C. Revised: August 17, 2017
- ~~C.D.~~ Revised August 22, 2018

SECTION V. Appendices.

Appendix A – Utah Office of Administrative Rules R25-7

APPENDIX A

Utah Office of Administrative Rules

R25. Administrative Services, Finance.

R25-7. Travel-Related Reimbursements for State Employees.

R25-7-1. Purpose.

The purpose of this rule is to establish procedures to be followed by departments to pay travel-related reimbursements to state employees.

R25-7-2. Authority and Exemptions.

This rule is established pursuant to:

- (1) Section 63A-3-107, which authorizes the Division of Finance to make rules governing in-state and out-of-state travel expenses; and
- (2) Section 63A-3-106, which authorizes the Division of Finance to make rules governing meeting per diem and travel expenses for board members attending official meetings.

R25-7-3. Definitions.

- (1) "Agency" means any department, division, commission, council, board, bureau, committee, office, or other administrative subunit of state government.
- (2) "Board" means a board, commission, council, committee, task force, or similar body established to perform a governmental function.
- (3) "Department" means all executive departments of state government.
- (4) "Finance" means the Division of Finance.
- (5) "Home-Base" means the location the employee leaves from and/or returns to.
- (6) "Per diem" means an allowance paid daily.
- (7) "Policy" means the policies and procedures of the Division of Finance, as published in the "Accounting Policies and Procedures."
- (8) "Rate" means an amount of money.
- (9) "Reimbursement" means money paid to compensate an employee for money spent.
- (10) "State employee" means any person who is paid on the state payroll system.

R25-7-4. Eligible Expenses.

- (1) Reimbursements are intended to cover all normal areas of expense.
- (2) Requests for reimbursement must be accompanied by original receipts for all expenses except those for which flat allowance amounts are established.

R25-7-5. Approvals.

- (1) For insurance purposes, all state business travel, whether reimbursed by the state or not, must have prior approval by an appropriate authority. This also includes non-state employees where the state is paying for the travel expenses.

(2) Both in-state and out-of-state travel must be approved by the Executive Director or designee. The approval of in-state travel reimbursement forms may be considered as documentation of prior approval for in-state travel. Prior approval for out-of-state travel should be documented on form FI5 - "Request for Out-of-State Travel Authorization".

(3) Exceptions to the prior approval for out-of-state travel must be justified in the comments section of the Request for Out-of-State Travel Authorization, form FI 5, or on an attachment, and must be approved by the Department Director or the designee.

(4) The Department Director, the Executive Director, or the designee must approve all travel to out-of-state functions where more than two employees from the same department are attending the same function at the same time.

R25-7-6. Reimbursement for Meals.

(1) State employees who travel on state business may be eligible for a meal reimbursement.

(2) The reimbursement will include tax, tips, and other expenses associated with the meal.

(3) Allowances for in-state travel differ from those for out-of-state travel.

(a) The daily travel meal allowance for in-state travel is \$43.00 and is computed according to the rates listed in the following table.

TABLE 1

In-State Travel Meal Allowances

Meals	Rate
Breakfast	\$10.00
Lunch	\$14.00
Dinner	\$19.00
Total	\$43.00

(b) The daily travel meal allowance for out-of-state travel is \$46.00 and is computed according to the rates listed in the following table.

TABLE 2

Out-of-State Travel Meal Allowances

Meals	Rate
Breakfast	\$10.00
Lunch	\$14.00
Dinner	\$22.00
Total	\$46.00

(4) When traveling to a Tier I premium location (Anchorage, Chicago, Hawaii, New York City, San Francisco, and Seattle), the traveler may choose to accept the per diem rate for out-of-state

travel (as shown above) or to be reimbursed at the actual meal cost, with original receipts, up to \$69 per day.

When traveling to a Tier II premium location (Atlanta, Baltimore, Boston, Dallas, Los Angeles, San Diego, and Washington, DC), the traveler may choose to accept the per diem rate for out-of-state travel (as shown above) or to be reimbursed at the actual meal cost, with original receipts, up to \$59 per day.

(a) The traveler will qualify for premium rates on the day the travel begins and/or the day the travel ends only if the trip is of sufficient duration to qualify for all meals on that day.

(b) Complimentary meals of a hotel, motel and/or association and meals included in registration costs are deducted from the premium location allowance as follows:

Tier I Location

(i) If breakfast is provided deduct \$16, leaving a premium allowance for lunch and dinner of actual up to \$53.

(ii) If lunch is provided deduct \$20, leaving a premium allowance for breakfast and dinner of actual up to \$49.

(iii) If dinner is provided deduct \$33, leaving a premium allowance for breakfast and lunch of actual up to \$36.

Tier II Location

(i) If breakfast is provided deduct \$13, leaving a premium allowance for lunch and dinner of actual up to \$46.

(ii) If lunch is provided deduct \$17, leaving a premium allowance for breakfast and dinner of actual up to \$42.

(iii) If dinner is provided deduct \$29, leaving a premium allowance for breakfast and lunch of actual up to \$30.

(c) The traveler must use the same method of reimbursement for an entire day.

(d) Actual meal cost includes tips.

(e) Alcoholic beverages are not reimbursable.

(5) When traveling in foreign countries, the traveler may choose to accept the per diem rate for out-of-state travel (as shown above) or to be reimbursed the actual meal cost, with original receipts, not to exceed the federal reimbursement rate for the location as of the date of travel.

(a) The traveler may use both reimbursement methods during a trip; however, they must use the same method of reimbursement for an entire day.

(b) Actual meal cost includes tips.

(c) Alcoholic beverages are not reimbursable.

(6) The meal reimbursement calculation is comprised of three parts:

(a) The day the travel begins. The traveler's entitlement is determined by the time of day the traveler leaves their home base (the location the employee leaves from and/or returns to), as illustrated in the following table.

TABLE 3

The Day Travel Begins

1st Quarter a.m. 12:00-5:59 *B, L, D	2nd Quarter a.m. 6:00-11:59 *L, D	3rd Quarter p.m. 12:00-5:59 *D	4th Quarter p.m. 6:00-11:59 *no meals
In-State			
\$43.00	\$33.00	\$19.00	\$0
Out-of-State			
\$46.00	\$36.00	\$22.00	\$0

*B = Breakfast, L = Lunch, D = Dinner

(b) The days at the location.

(i) Complimentary meals of a hotel, motel, and/or association and meals included in the registration cost are deducted from the total daily meal allowance. However, continental breakfasts will not reduce the meal allowance. Please Note: For breakfast, if a hot food item is offered, it is considered a complimentary meal, no matter how it is categorized by the hotel/conference facility. The meal is considered a "continental breakfast" if no hot food items are offered.

(ii) Meals provided on airlines will not reduce the meal allowance.

(c) The day the travel ends. The meal reimbursement the traveler is entitled to is determined by the time of day the traveler returns to their home base, as illustrated in the following table.

TABLE 4

The Day Travel Ends

1st Quarter a.m. 12:00-6:00 *no meals	2nd Quarter a.m. 6:01-12:00 *B	3rd Quarter p.m. 12:01-6:00 *B, L	4th Quarter p.m. 6:01-11:59 *B, L, D
In-State			
\$0	\$10.00	\$24.00	\$43.00
Out-of-State			
\$0	\$10.00	\$24.00	\$46.00

*B = Breakfast, L = Lunch, D = Dinner

(7) An employee may be authorized by the Department Director or designee to receive a taxable meal allowance when the employee's destination is at least 100 miles one way from their home base and the employee does not stay overnight.

(a) Breakfast is paid when the employee leaves their home base before 6:00 a.m.

(b) Lunch is paid when the trip meets one of the following requirements:

(i) The employee is on an officially approved trip that warrants entitlement to breakfast and dinner.

(ii) The employee leaves their home base before 10 a.m. and returns after 2 p.m.

(iii) The Department Director provides prior written approval based on circumstances.

(c) Dinner is paid when the employee leaves their home base and returns after 6:00 p.m.

(d) The allowance is not considered an absolute right of the employee and is authorized at the discretion of the Department Director or designee.

R25-7-7. Meals for Statutory Non-Salaried State Boards.

(1) When a board meets and conducts business activities during mealtime, the cost of meals may be charged as public expense.

(2) Where salaried employees of the State of Utah or other advisors or consultants must, of necessity, attend such a meeting in order to permit the board to carry on its business, the meals of such employees, advisors, or consultants may also be paid. In determining whether or not the presence of such employees, advisors, or consultants is necessary, the boards are requested to restrict the attendance of such employees, advisors, or consultants to those absolutely necessary at such mealtime meetings.

R25-7-8. Reimbursement for Lodging.

State employees who travel on state business may be eligible for a lodging reimbursement.

(1) For stays at a conference hotel, the state will reimburse the actual cost plus tax and any mandatory fees charged by the hotel for both in-state and out-of-state travel. The traveler must include the conference registration brochure with the Travel Reimbursement Request, form FI 51A or FI 51B.

(2) For in-state lodging at a non-conference hotel, the state will reimburse the actual cost up to \$70 per night for single occupancy plus tax and any mandatory fees charged by the hotel except as noted in the table below:

TABLE 5

Cities with Differing Rates

Beaver	\$75.00 plus tax and mandatory fees
Blanding	\$75.00 plus tax and mandatory fees
Bluff	\$95.00 plus tax and mandatory fees

Brigham City	\$80.00 plus tax and mandatory fees
Bryce Canyon City	\$80.00 plus tax and mandatory fees
Cedar City	\$80.00 plus tax and mandatory fees
Duchesne	\$85.00 plus tax and mandatory fees
Ephraim	\$75.00 plus tax and mandatory fees
Farmington	\$85.00 plus tax and mandatory fees
Fillmore	\$75.00 plus tax and mandatory fees
Garden City	\$80.00 plus tax and mandatory fees
Green River	\$85.00 fees plus tax and mandatory
Hanksville	\$75.00 plus tax and mandatory fees
Heber	\$85.00 plus tax and mandatory fees
Kanab	\$90.00 plus tax and mandatory fees
Layton	\$90.00 plus tax and mandatory fees
Logan	\$85.00 plus tax and mandatory fees
Mexican Hat	\$90.00 plus tax and mandatory fees

Moab	\$110.00 plus tax and mandatory fees
Monticello	\$80.00 plus tax and mandatory fees
Ogden	\$90.00 plus tax and mandatory fees
Panguitch	\$75.00 plus tax and mandatory fees
Park City/Midway	\$110 plus tax and mandatory fees
Price	\$75.00 plus tax and mandatory fees
Provo/Orem/Lehi/American Fork/ Springville	\$85.00 plus tax and mandatory fees
Roosevelt/Ballard	\$90.00 plus tax and mandatory fees
Salt Lake City Metropolitan Area (Draper to Centerville), Tooele	\$100.00 plus tax and mandatory fees
St. George/Washington/Springdale/ Hurricane	\$85.00 plus tax and mandatory fees
Torrey	\$85.00 plus tax and mandatory fees
Tremonton	\$90.00 plus tax and mandatory fees
Vernal	\$95.00 plus tax and mandatory fees
All Other Utah Cities	\$70.00 plus tax and mandatory fees

(3) State employees traveling less than 50 miles from their home base are not entitled to lodging reimbursement. Miles are calculated from either the departure home-base or from the destination to the traveler's home-base. The traveler may leave from one home-base and return to a different home-base. For example, if the traveler leaves from their residence, then the home-base for

departure calculations is their residence. If the traveler returns to where they normally work (i.e. Cannon Health Building), then the home-base for arrival calculations is the Cannon Health Building.

(a) In some cases, agencies must use judgement to determine a traveler's home-base. The following are some things to consider when determining a traveler's home-base.

(i) Is the destination less than 50 miles from the traveler's home or normal work location? If the destination is less than 50 miles from either the traveler's home or from their normal work location, then generally the employee should not be reimbursed for lodging.

(ii) Is there a valid business reason for the traveler to go to the office (or to some other location) before driving to the destination?

(iii) Is the traveler required to work at the destination the next day?

(iv) Is the traveler going directly home after the trip, or is there a valid business reason for the traveler to first go to the office (or to some other location)?

(v) Even if "it is not specifically against policy", would the lodging be considered necessary, reasonable and in the best interest of the State?

(4) When the State of Utah pays for a person from out-of-state to travel to Utah, the in-state lodging per diem rates will apply.

(5) For out-of-state travel stays at a non-conference hotel, the state will reimburse the actual cost per night plus tax and any mandatory fees charged by the hotel, not to exceed the federal lodging rate for the location. These reservations must be made through the State Travel Office.

(6) The state will reimburse the actual cost per night plus tax and any mandatory fees charged by the hotel for in-state or out-of-state travel stays where the department/traveler makes reservations through the State Travel Office.

If lodging is not available at the allowable per diem rate in the area the employee needs to stay, the State Travel Office will book a hotel with the best available rate. In this circumstance, the employee will be reimbursed at the actual rate booked.

If an employee chooses to stay at a hotel that costs more than the allowable per diem rate, the employee will only be reimbursed for the allowable per diem rate plus tax and any mandatory fees charged by the hotel. These instances will be audited 100% by the State Finance Post-Auditors.

(7) Lodging is reimbursed at the rates listed in Table 5 for single occupancy only. For double state employee occupancy, add \$20, for triple state employee occupancy, add \$40, for quadruple state employee occupancy, add \$60.

(8) Exceptions will be allowed for unusual circumstances when approved in writing by the traveler's Department Director or designee prior to the trip.

(a) For out-of-state travel, the approval may be on the form FI 5.

(b) Attach the written approval to the Travel Reimbursement Request, form FI 51B or FI 51D.

(9) A proper receipt for lodging accommodations must accompany each request for reimbursement.

A proper receipt is a copy of the registration form generally used by motels and hotels which includes the following information: name of motel/hotel, street address, town and state, telephone number, current date, name of person/persons staying at the motel/hotel, date(s) of occupancy, amount and date paid, number in the party, and (single, double, triple, or quadruple occupancy).

(10) When lodging is required, travelers should stay at the lodging facility nearest to the meeting/training/work location where state lodging per diem rates are accepted in order to minimize transportation costs.

(11) Travelers may also elect to stay with friends or relatives or use their personal campers or trailer homes instead of staying in a hotel.

(a) With proof of staying overnight away from home on approved state business, the traveler will be reimbursed the following:

(i) \$25 per night with no receipts required or

(ii) Actual cost up to \$40 per night with a signed receipt from a facility such as a campground or trailer park, not from a private residence.

(12) Travelers who are on assignment away from their home base for longer than 90 days will be reimbursed as follows:

(a) First 30 days - follow regular rules for lodging and meals. Lodging receipt is required.

(b) After 30 days - \$46 per day for lodging and meals. No receipt is required.

R25-7-9. Reimbursement for Incidentals.

State employees who travel on state business may be eligible for a reimbursement for incidental expenses.

(1) Travelers will be reimbursed for actual out-of-pocket costs for incidental items such as baggage tips, transportation costs, maid service, and bellman. Gratuities/tips for various services such as taxi/shuttle, assistance with baggage, maid service, and bellman, may be reimbursed up to a combined maximum of \$5.00 per day.

(a) Tips for doormen and meals are not reimbursable.

(b) No other gratuities will be reimbursed.

(c) Include an original receipt for each individual incidental item above \$19.99.

(2) The state will reimburse incidental ground transportation and parking expenses.

(a) Travelers shall document all official business use of taxi, bus, parking, and other ground transportation including dates, destinations, parking locations, receipts, and amounts.

(b) Personal use of such transportation to restaurants is not reimbursable.

(c) The maximum that airport parking will be reimbursed is the economy lot parking rate at the airport they are flying out of. A receipt is required for amounts of \$20 or more.

(3) Registration should be paid in advance on a state warrant, or with a state purchasing card.

(a) A copy of the approved FI 5 form must be included with the Payment Voucher for out-of-state registrations.

(b) If a traveler must pay the registration when they arrive, the agency is expected to process a Payment Voucher and have the traveler take the state warrant with them.

(4) Telephone calls related to state business are reimbursed at the actual cost.

(a) The traveler shall list the amount of these calls separately on the Travel Reimbursement Request, form FI 51A or FI 51B.

(b) The traveler must provide an original lodging receipt or original personal phone bill showing the phone number called and the dollar amount for business telephone calls and personal telephone calls.

(5) Allowances for personal telephone calls made while out of town on state business overnight may be based on the number of nights away from home. The traveler must provide an original lodging receipt or original personal phone bill showing the phone number called and the dollar amount for personal telephone calls.

(a) Four nights or less - actual amount up to \$2.50 per night.

(b) Five to eleven nights - actual amount up to \$20.00

- (c) Twelve nights to thirty nights - actual amount up to \$30.00
- (d) More than thirty days - start over
- (6) Actual laundry expenses up to \$18.00 per week will be allowed for trips in excess of six consecutive nights, beginning after the sixth night out.
 - (a) The traveler must provide receipts for the laundry expense.
 - (b) For use of coin-operated laundry facilities, the traveler must provide a list of dates, locations, and amounts.
- (7) An amount of \$5 per day will be allowed for travelers away in excess of six consecutive nights beginning after the sixth night out.
 - (a) This amount covers miscellaneous incidentals not covered in this rule.
 - (b) This allowance is not available for travelers going to conferences.
- (8) Travel on a Weekend during Trips of More Than 10 Nights' Duration - A department may provide for employees to return home on a weekend when a trip extends longer than ten nights. Reimbursements may be given for costs allowed by these policies.

R25-7-10. Reimbursement for Transportation.

State employees who travel on state business may be eligible for a transportation reimbursement.

- (1) Air transportation is limited to Air Coach or Excursion class. Priority seating charges will not be reimbursed unless preapproved by the department director or designee.
 - (a) All reservations (in-state and out-of-state) should be made through the State Travel Office for the least expensive air fare available at the time reservations are made.
 - (b) Only one change fee per trip will be reimbursed.
 - (c) The explanation for the change and any other exception to this rule must be given and approved by the Department Director or designee.
- (2) Travelers may be reimbursed for mileage to and from the airport and long-term parking or away-from-the-airport parking.
 - (a) The maximum reimbursement for parking, whether travelers park at the airport or away from the airport, is the long-term parking rate at the airport they are flying out of.
 - (b) The parking receipt must be included with the Travel Reimbursement Request, form FI 51A or FI 51B for amounts of \$20 or more.
 - (c) Travelers may be reimbursed, up to the maximum reimbursements rate, for mileage to and from the airport to allow someone to drop them off and to pick them up.
- (3) Travelers may use private vehicles with approval from the Department Director or designee.
 - (a) Only one person in a vehicle may receive the reimbursement, regardless of the number of people in the vehicle.
 - (b) Reimbursement for a private vehicle will be at the rate of 42 cents per mile or 54 cents per mile if a state vehicle is not available to the employee.
 - (i) To determine which rate to use, the traveler must first determine if their department has an agency vehicle (long-term leased vehicle from Fleet Operations) that meets their needs and is reasonably available for the trip (does not apply to special purpose vehicles). If reasonably available, the employee should use an agency vehicle. If an agency vehicle that meets their needs is not reasonably available, the agency may approve the traveler to use either a daily pool fleet vehicle or a private vehicle. If a daily pool fleet vehicle is not reasonably available, the traveler may be reimbursed at 54 cents per mile.

(ii) If a trip is estimated to average 100 miles or more per day, the agency should approve the traveler to rent a daily pool fleet vehicle if one is reasonably available. Doing so will cost less than if the traveler takes a private vehicle. If the agency approves the traveler to take a private vehicle, the employee will be reimbursed at the lower rate of 42 cents per mile.

(c) Agencies may establish a reimbursement rate that is more restrictive than the rate established in this Section.

(d) Any exceptions to this mileage reimbursement rate guidance must be approved in writing by the employees Executive Director or designee.

(e) Mileage will be computed using Mapquest or other generally accepted map/route planning website, or from the latest official state road map and will be limited to the most economical, usually traveled routes.

(f) If the traveler uses a private vehicle on official state business and is reimbursed for mileage, parking charges may be reimbursed as an incidental expense.

(g) An approved Private Vehicle Usage Report, form FI 40, should be included with the department's payroll documentation reporting miles driven on state business during the payroll period.

(h) Departments may allow mileage reimbursement on an approved Travel Reimbursement Request, form FI 51A or FI 51B, if other costs associated with the trip are to be reimbursed at the same time.

(4) A traveler may choose to drive instead of flying if preapproved by the Department Director or designee.

(a) If the traveler drives a state-owned vehicle, the traveler may be reimbursed for meals and lodging for a reasonable amount of travel time; however, the total cost of the trip must not exceed the equivalent cost of the airline trip. The traveler may also be reimbursed for incidental expenses such as toll fees and parking fees.

(b) If the traveler drives a privately-owned vehicle, reimbursement will be at the rate of 42 cents per mile or the airplane fare, whichever is less, unless otherwise approved by the Department Director or designee.

(i) The lowest fare available within 30 days prior to the departure date will be used when calculating the cost of travel for comparison to private vehicle cost.

(ii) A comparison printout which is available through the State Travel Office is required when the traveler is taking a private vehicle.

(iii) The traveler may be reimbursed for meals and lodging for a reasonable amount of travel time; however, the total cost of the trip must not exceed the equivalent cost of an airline trip.

(iv) If the traveler uses a private vehicle on official state business and is reimbursed for mileage, parking charges may be reimbursed as an incidental expense.

(c) When submitting the reimbursement form, attach a schedule comparing the cost of driving with the cost of flying. The schedule should show that the total cost of the trip driving was less than or equal to the total cost of the trip flying.

(d) If the travel time taken for driving during the employee's normal work week is greater than that which would have occurred had the employee flown, the excess time used will be taken as annual leave and deducted on the Time and Attendance System.

(5) Use of rental vehicles must be approved in writing in advance by the Department Director or designee.

(a) An exception to advance approval of the use of rental vehicles shall be fully explained in writing with the request for reimbursement and approved by the Department Director or designee.

(b) Detailed explanation is required if a rental vehicle is requested for a traveler staying at a conference hotel.

(c) When making rental car arrangements through the State Travel Office, reserve the vehicle you need. Upgrades in size or model made when picking up the rental vehicle will not be reimbursed.

(i) State employees should rent vehicles to be used for state business in their own names, using the state contract so they will have full coverage under the state's liability insurance.

(ii) Rental vehicle reservations not made through the State Travel Office must be approved in advance by the Department Director or designee.

(iii) The traveler will be reimbursed the actual rate charged by the rental agency.

(iv) The traveler must have approval for a rental car in order to be reimbursed for rental car parking.

(6) Travel by private airplane must be approved in advance by the Department Director or designee.

(a) The pilot must certify to the Department Director or designee that the pilot is certified to fly the plane being used for state business.

(b) If the plane is owned by the pilot/employee, the pilot must certify the existence of at least \$500,000 of liability insurance coverage.

(c) If the plane is a rental, the pilot must provide written certification from the rental agency that the insurance covers the traveler and the state as insured. The insurance must be adequate to cover any physical damage to the plane and at least \$500,000 for liability coverage.

(d) Reimbursement will be made at 53 cents per mile.

(e) Mileage calculation is based on air mileage and is limited to the most economical, usually-traveled route.

(7) Travel by private motorcycle must be approved prior to the trip by the Department Director or designee. Travel will be reimbursed at 20 cents per mile.

(8) A car allowance may be allowed in lieu of mileage reimbursement in certain cases. Prior written approval from the Department Director, the Executive Director of the Department of Administrative Services, and the Governor is required.

KEY: air travel, per diem allowances, state employees, transportation

Date of Enactment or Last Substantive Amendment: June 21, 2018

Notice of Continuation: February 8, 2018

Authorizing, and Implemented or Interpreted Law: 63A-3-107; 63A-3-106

UCIP Membership Application Summary

Name of Entity: Wilson Arch Water & Sewer Special Service District

Sponsoring County: San Juan County

Type of Membership Applied for: Non-Equity

Enabling Statutes and Services Provided: Water & Sewer Services

Risk Factors:

Property - \$65,000

Auto - 0

Employees - 0

Expenditures- \$30,000

Liability - \$5,000,000

Loss History - None

Additional Notes: This district is being created to build water and sewer infrastructure, and eventually operate the water and sewer services within the district. UCIP does not currently cover entities that operate water or sewer services, so the UCIP Coverage Addendum and underwriting procedures do not contemplate those exposures. Water and sewer would typically be rated on gallons of water provided, gallons of sewage, miles of sewer lines, and several other factors which we do not collect or have rates for. Failure to provide water would require review by the reinsurers if we are providing full limits on that risk. Sewer backup would need to be excluded and then a sublimit of coverage determined to be in-line with industry coverage. The Board needs to decide if we are going to expand to providing membership and coverage for municipal services, or let these entities find coverage elsewhere.

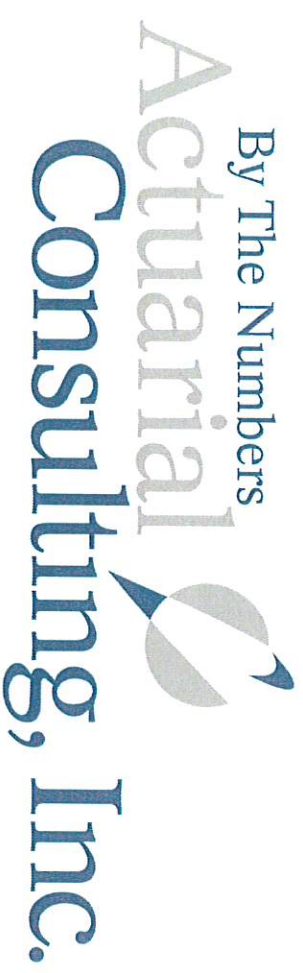
Proposed Liability Limits: \$5,000,000

Current Liability Limits: \$5,000,000

UCIP Annual Contribution: **Unknown**

Current Insurance Premium: New Entity

Staff Recommendation: Would need to modify Coverage Addendum prior to approving membership.



UTAH COUNTIES INDEMNITY POOL

ACTUARIAL REPORT

INDICATED CONTRIBUTIONS 1/1-12/31/19

Mary Jean King, FCAS, CERA, MAAA

Senior Vice President and Consulting Actuary



FINDINGS

INDICATED CONTRIBUTIONS FOR 1/1-12/31/19

	Undiscounted for Investment Income				
	30%	Expected	70%	80%	90%
Indicated Contributions	\$5,560,000	\$6,170,000	\$6,580,000	\$6,950,000	\$7,520,000
Estimated Contributions	6,720,000				\$8,050,000
Contributions Indication	-17.3%	- 8.2%	- 2.1%	+ 3.4%	+11.9%
					+19.8%
	Discounted for Investment Income at 1.0% per Annum				
	30%	Expected	70%	80%	90%
Indicated Contributions	\$5,470,000	\$6,070,000	\$6,460,000	\$6,820,000	\$7,370,000
Estimated Contributions	6,720,000				
Contributions Indication	-18.6%	- 9.7%	- 3.9%	+ 1.5%	+ 9.7%
					+17.3%

COMPARISON OF LOSS PROJECTIONS TO PRIOR REPORT

Coverage	Report	Pure		Exposure	Projected	
		Loss Rate			Losses	
Law Enforcement Liability	Current Prior Change	\$1.010 900 +12.2%		1,290 1,315 - 1.9%	^ \$ 1,300,000 1,180,000 +10.2%	
Public Officials Liability	Current Prior Change	\$110 100 +10.0%		4,639 4,624 + 0.3%	# \$ 510,000 460,000 +10.9%	
General Liability	Current Prior Change	\$130 120 + 8.3%		4,639 4,624 + 0.3%	# \$ 600,000 550,000 + 9.1%	
Auto Liability	Current Prior Change	\$ 80 70 +14.3%		3,217 3,186 + 1.0%	* \$ 260,000 220,000 +18.2%	
Property	Current Prior Change	\$0.0510 0.0550 - 7.3%		\$18,972,742 18,220,451 + 4.1%	~ \$ 970,000 1,000,000 - 3.0%	
Total	Current Prior Change	----- ----- + 5.7%		----- ----- + 1.0%	\$ 3,640,000 3,410,000 + 6.7%	

^ Number of officers.

Number of employees.

* Vehicles.

~ Insured value (100).

CONTRIBUTIONS ANALYSIS METHODOLOGY

- Review Latest Five Years Experience
- By Coverage – Law Enforcement Liability, Public Officials Liability, General Liability, Auto Liability, Property
- Adjust for:
 - Retention
 - IBNR
 - Claim Cost Inflation
 - Exposure

LAW ENFORCEMENT INCURRED LOSS DEVELOPMENT

A. LOSSES LIMITED TO \$250,000

Policy Period	Incurred Losses as of 6/30/18	Number of Claims in Excess of \$250,000	Incurred Losses in Excess of \$250,000	Limited Incurred Losses as of 6/30/18
1/1-12/31/13	\$ 433,448	0	\$ 0	\$ 433,448
1/1-12/31/14	1,106,708	0	0	1,106,708
1/1-12/31/15	236,078	0	0	236,078
1/1-12/31/16	876,500	0	0	876,500
1/1-12/31/17	670,000	0	0	670,000
Total	\$3,322,734	0	\$ 0	\$3,322,734

B. ESTIMATED ULTIMATE INCURRED LOSSES

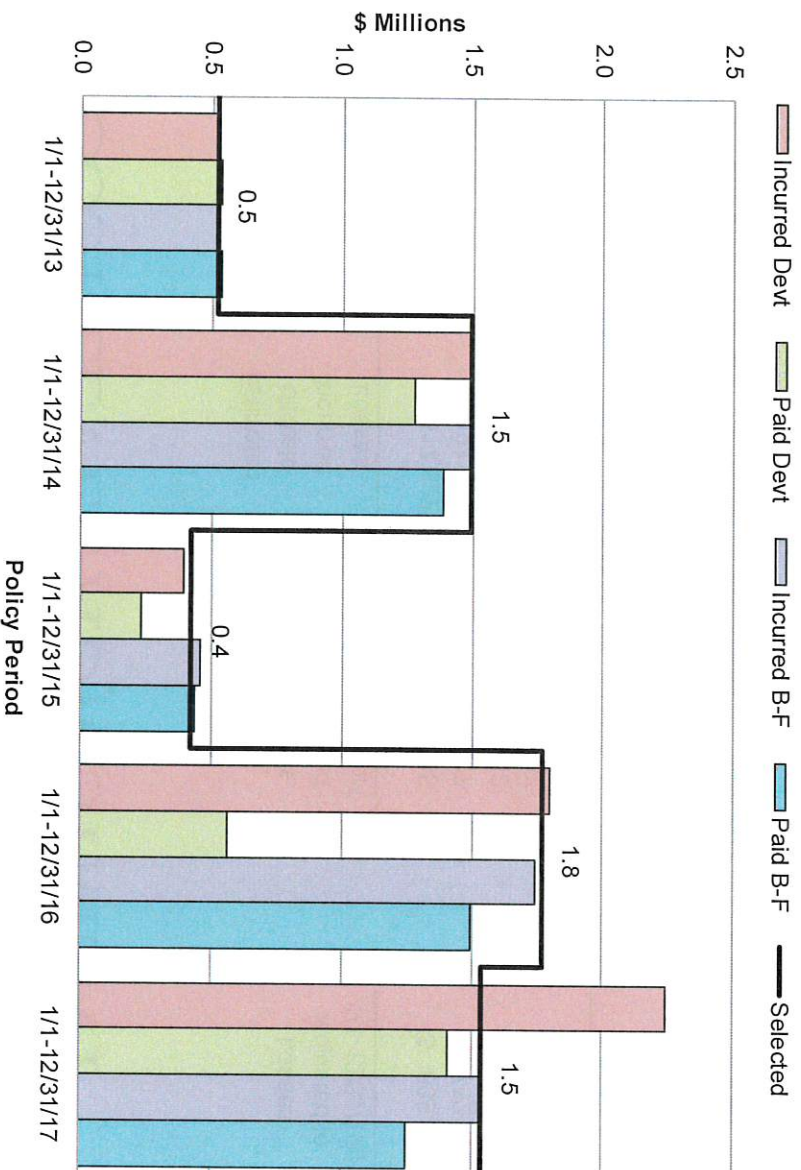
Policy Period	Limited Incurred Losses as of 6/30/18	Age of Policy Period in Months	Incurred Loss Development Factor*	Estimated Ultimate Incurred Losses
1/1-12/31/13	\$ 433,448	66.0	1.190	\$ 515,803
1/1-12/31/14	1,106,708	54.0	1.344	1,487,416
1/1-12/31/15	236,078	42.0	1.652	390,001
1/1-12/31/16	876,500	30.0	2.054	1,800,331
1/1-12/31/17	670,000	18.0	3.350	2,244,500
Total	\$3,322,734			\$6,438,051

LAW ENFORCEMENT ESTIMATED ULTIMATE INCURRED LOSSES

Policy Period	Incurred Loss Development Method	Paid Loss Development Method	Incurred Bornhuetter- Ferguson Method	Paid Bornhuetter- Ferguson Method	Selected Estimated Ultimate Incurred Losses
1/1-12/31/13	\$ 515,803	\$ 536,379	\$ 519,440	\$ 536,667	\$ 517,622 ~
1/1-12/31/14	1,487,416	1,273,998	1,501,579	1,387,730	1,494,498 ~
1/1-12/31/15	390,001	232,470	456,579	437,259	423,290 ~
1/1-12/31/16	1,800,331	563,160	1,739,981	1,493,979	1,770,156 ~
1/1-12/31/17	2,244,500	1,410,121	1,541,063	1,250,331	1,541,063 &
Total	\$6,438,051	\$4,016,128	\$5,758,642	\$5,105,966	\$5,746,629

~ Selected the average of the incurred methods.
& Selected the incurred Bornhuetter-Ferguson method.

LAW ENFORCEMENT ESTIMATED ULTIMATE INCURRED LOSSES



LAW ENFORCEMENT COST LEVEL ADJUSTMENT

Policy Period	Estimated Ultimate Incurred Losses	Loss Trend Factor*	Losses Adjusted to 1/1-12/31/19#
1/1-12/31/13	\$ 517,622	1.235	\$ 639,263
1/1-12/31/14	1,494,498	1.207	1,752,109
1/1-12/31/15	423,290	1.150	486,784
1/1-12/31/16	1,770,156	1.107	1,959,563
1/1-12/31/17	1,541,063	1.070	1,648,937
Total	\$5,746,629		\$6,486,656

* See Section A of Appendix B, Exhibit I.
Losses have not been adjusted above the retention.

LAW ENFORCEMENT PROJECTED LOSSES

A. PURE LOSS RATES

Policy Period	Adjusted Losses	Number of Officers	Pure Loss Rate per Officer
1/1-12/31/13	\$ 639,263	1,338	\$ 478
1/1-12/31/14	1,752,109	1,293	1,355
1/1-12/31/15	486,784	1,256	388
1/1-12/31/16	1,959,563	1,254	1,563
1/1-12/31/17	1,648,937	1,263	1,306
Total	\$6,486,656	6,404	

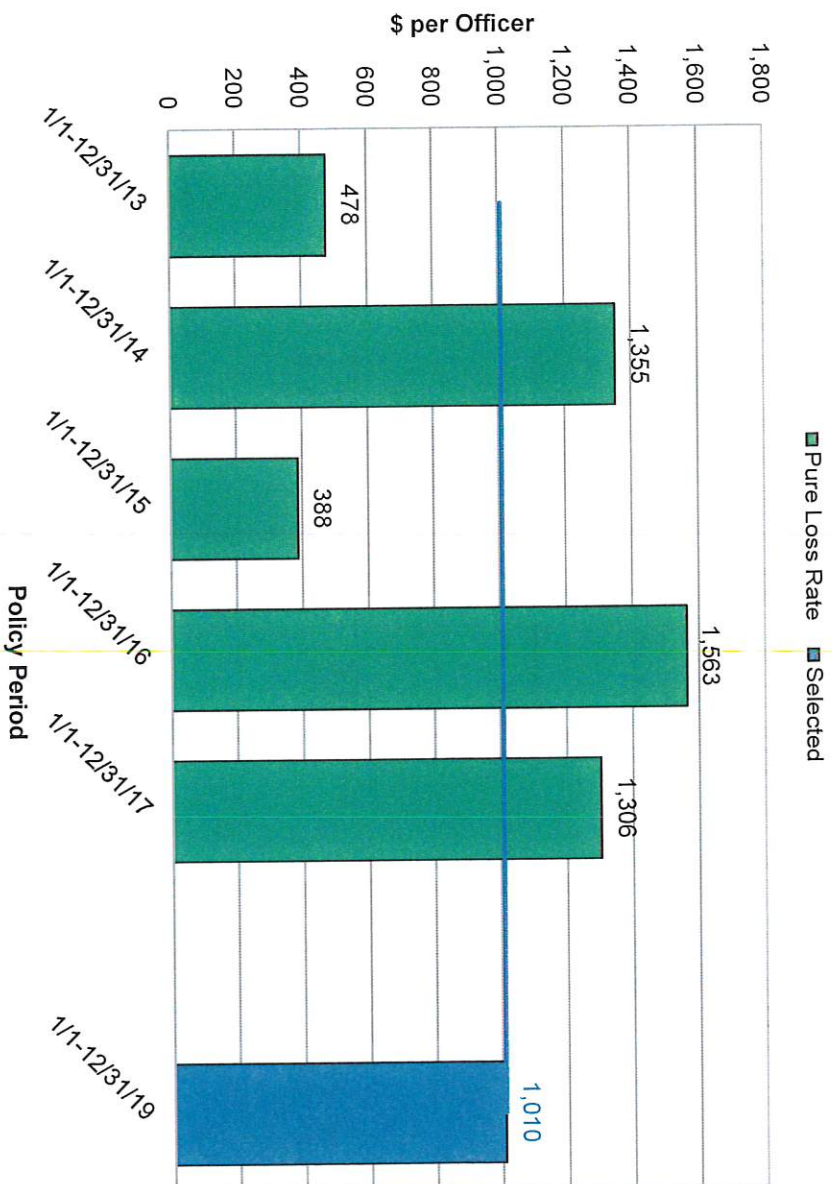
Average \$1,018
 Wld Average 1,013
 3 Yr Average 1,086
 5 Yr Mld Average 1,046
 Prior* 900
 Selected^ 1,010

B. PROJECTED LOSSES

Policy Period	Selected Pure Loss Rate	Projected Number of Officers	Projected Losses
1/1-12/31/19	\$1,010	1,290 #	\$1,300,000

* 1/1-12/31/18 level.
 ^ Selected the weighted average.
 # Provided by UCIP.

LAW ENFORCEMENT INDICATED PURE LOSS RATE FOR 1/1-12/31/19



PUBLIC OFFICIALS LIABILITY PROJECTED LOSSES

A. PURE LOSS RATES

Policy Period	Adjusted Losses	Number of Employees	Pure Loss Rate per Employee
1/1-12/31/13	\$ 854,465	6,323	\$ 135
1/1-12/31/14	229,203	5,456	42
1/1-12/31/15	371,931	5,082	73
1/1-12/31/16	581,785	5,319	109
1/1-12/31/17	988,807	5,121	193
Total	\$3,026,191	27,301	

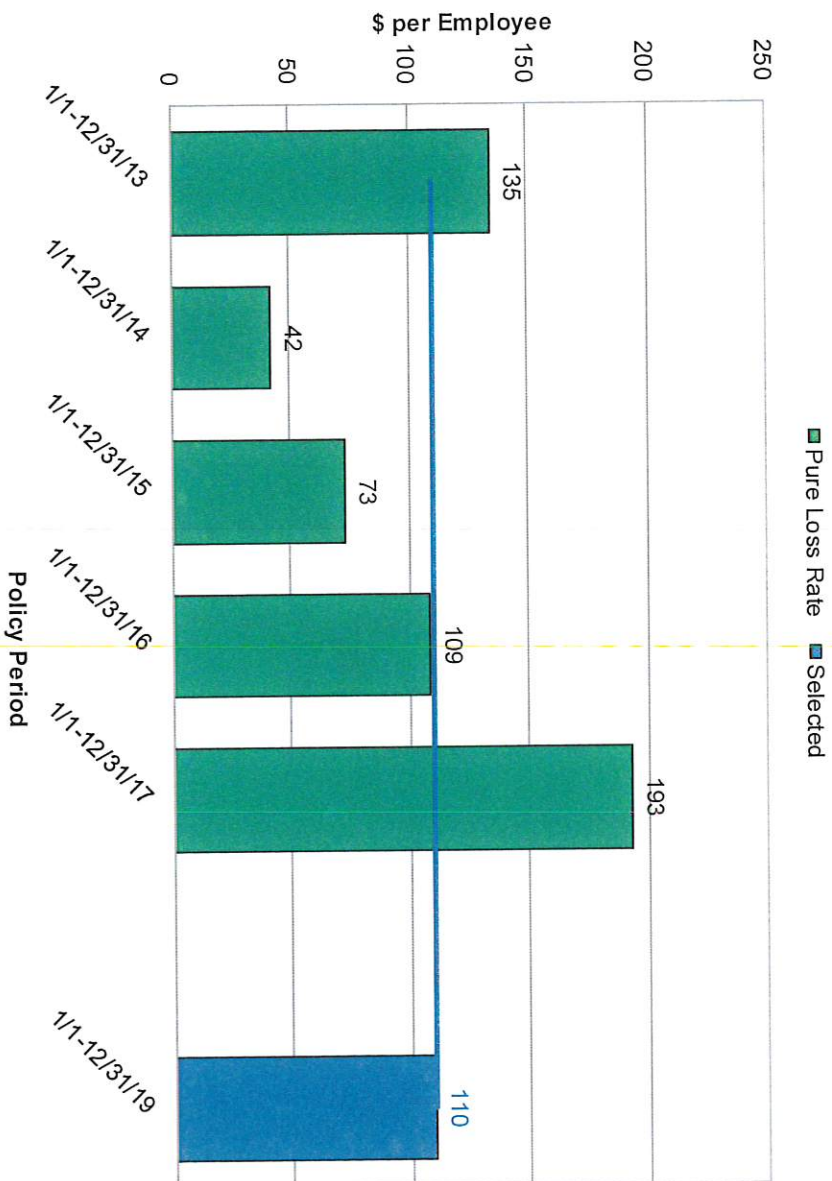
Average \$ 110
 Wtd Average 111
 3 Yr Average 125
 5 Yr Mid Average 106
 Prior* 100
 Selected^ 110

B. PROJECTED LOSSES

Policy Period	Selected Pure Loss Rate	Projected Number of Employees	Projected Losses
1/1-12/31/19	\$ 110	4,639 #	\$ 510,000

* 1/1-12/31/18 level.
 ^ Selected the w eighted average.
 # Provided by UCIP.

PUBLIC OFFICIALS LIABILITY INDICATED PURE LOSS RATE FOR 1/1-12/31/19



GENERAL LIABILITY PROJECTED LOSSES

A. PURE LOSS RATES

Policy Period	Adjusted Losses	Number of Employees	Pure Loss Rate per Employee
1/1-12/31/13	\$ 794,830	6,323	\$ 126
1/1-12/31/14	92,445	5,456	17
1/1-12/31/15	429,570	5,082	85
1/1-12/31/16	1,279,680	5,319	241
1/1-12/31/17	978,603	5,121	191
Total	\$3,575,128	27,301	

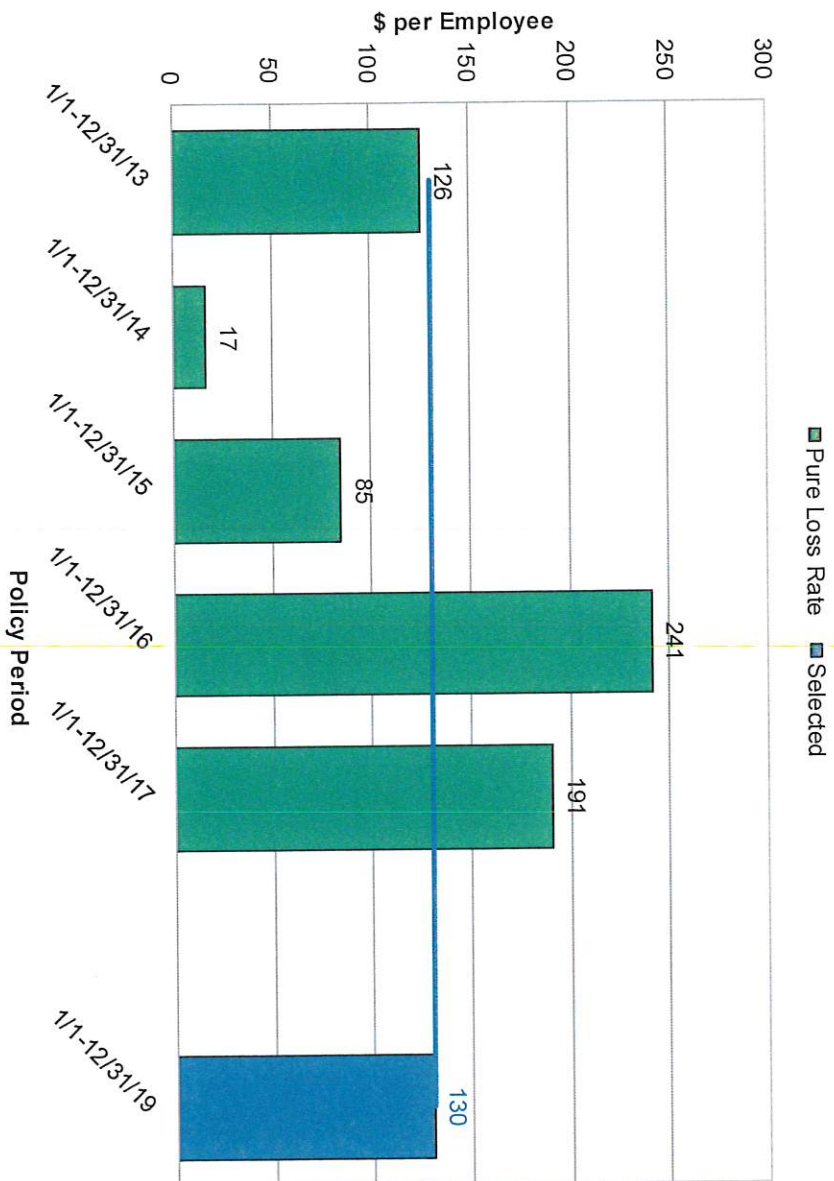
Average \$ 132
 Wtd Average 131
 3 Yr Average 172
 5 Yr Wtd Average 134
 Prior* 120
 Selected^a 130

B. PROJECTED LOSSES

Policy Period	Selected Pure Loss Rate	Projected Number of Employees	Projected Losses
1/1-12/31/19	\$ 130	4,639 #	\$ 600,000

* 1/1-12/31/18 level.
^a Selected the weighted average.
 # Provided by UCIP.

GENERAL LIABILITY INDICATED PURE LOSS RATE FOR 1/1-12/31/19



AUTO LIABILITY PROJECTED LOSSES

A. PURELOSS RATES

Policy Period	Adjusted Losses	Vehicles	Pure Loss Rate per Vehicle
1/1-12/31/13	\$ 489,183	3,503	\$140
1/1-12/31/14	160,872	3,205	50
1/1-12/31/15	112,379	3,101	36
1/1-12/31/16	197,278	3,164	62
1/1-12/31/17	333,682	3,190	105
Total	\$1,293,394	16,163	

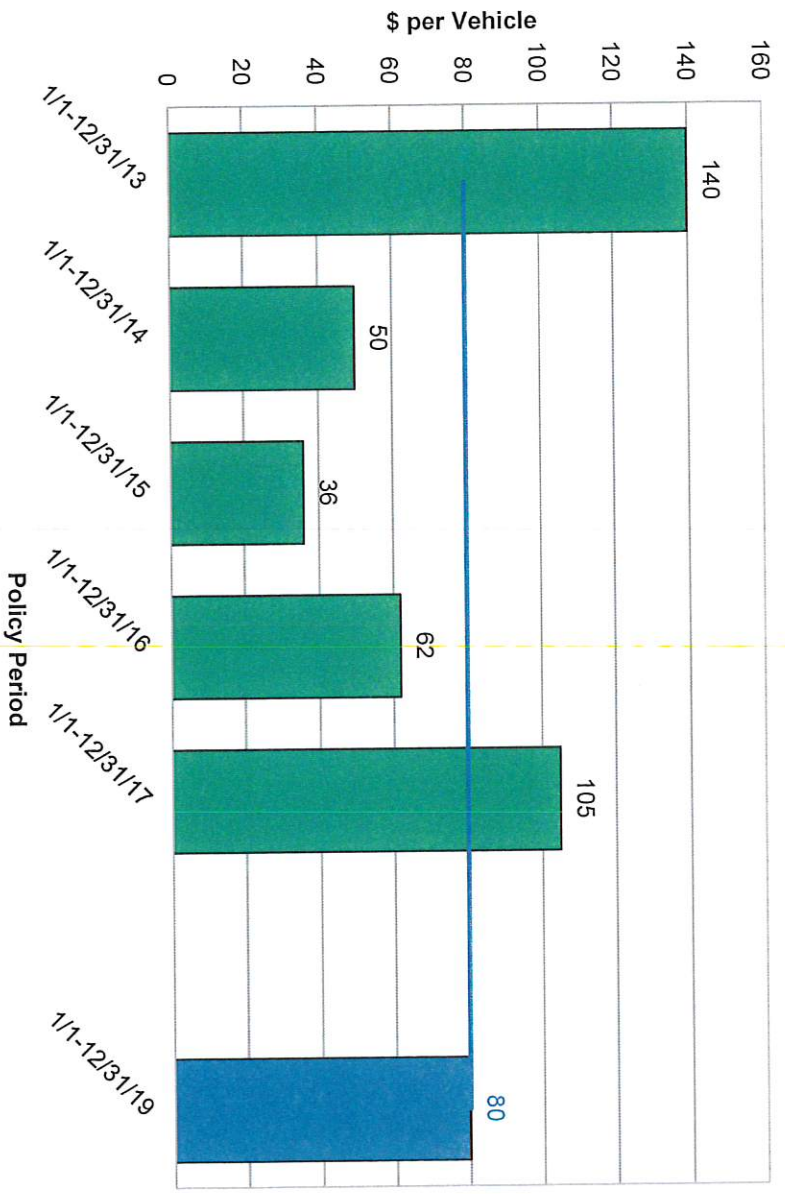
Average \$ 79
 Wld Average 80
 3 Yr Average 68
 5 Yr Mld Average 72
 Prior* 70
 Selected^ 80

B. PROJECTED LOSSES

Policy Period	Selected Pure Loss Rate	Projected Vehicles	Projected Losses
1/1-12/31/19	\$ 80	3,217 #	\$ 260,000

* 1/1-12/31/18 level.
 ^ Selected the weighted average.
 # Provided by UCIP.

AUTO LIABILITY INDICATED PURE LOSS RATE FOR 1/1-12/31/19



PROPERTY PROJECTED LOSSES

A. PURELOSS RATES

Policy Period	Adjusted Losses	Adjusted Insured Value (\$100s)	Pure Loss Rate per \$100 Ins. Value
1/1-12/31/13	\$ 591,484	\$16,371,386	\$0.0361
1/1-12/31/14	1,287,901	14,863,816	0.0866
1/1-12/31/15	749,684	14,597,897	0.0514
1/1-12/31/16	738,589	15,290,861	0.0483
1/1-12/31/17	597,105	16,035,050	0.0372
Total	\$3,964,763	\$77,159,010	

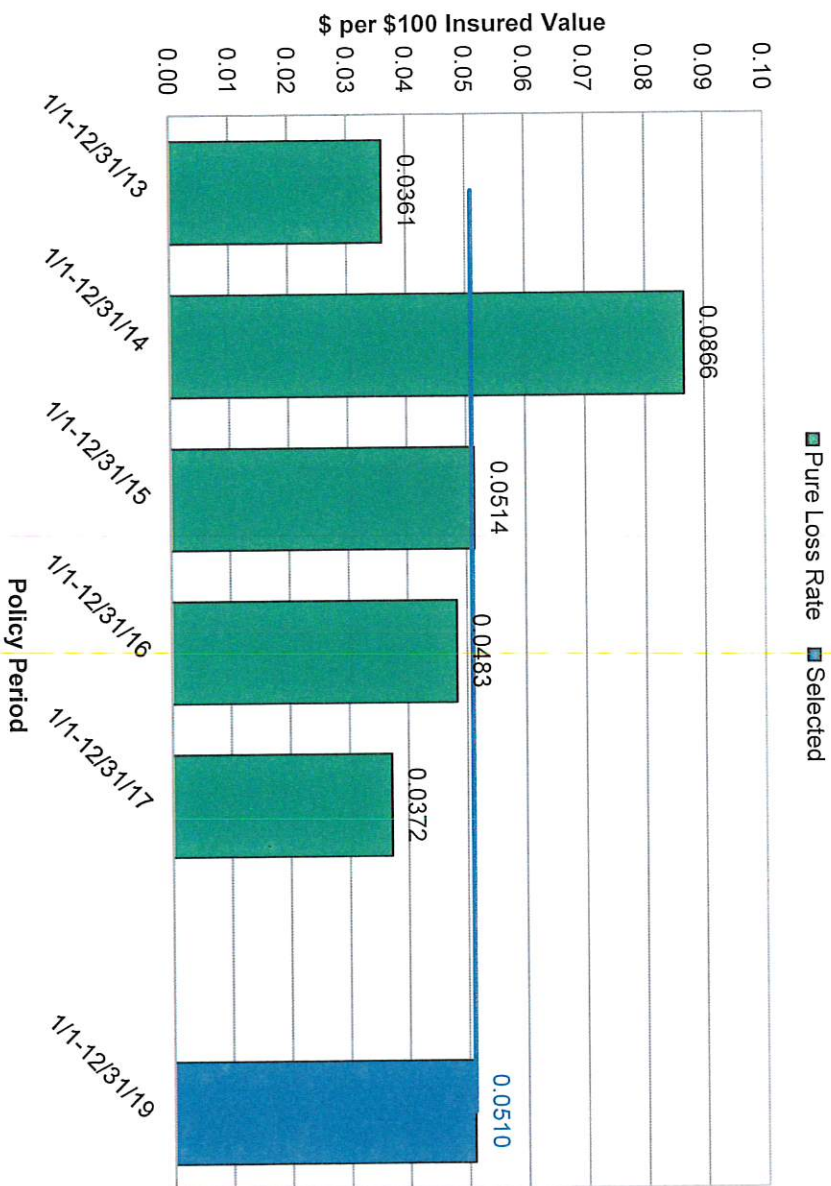
Average \$0.0519
 Wtd Average 0.0514
 3 Yr Average 0.0456
 5 Yr Mtd Average 0.0456
 Prior* 0.0550
 Selected^v 0.0510

B. PROJECTED LOSSES

Policy Period	Selected Pure Loss Rate	Projected Ins. Value (\$100s)	Projected Losses
1/1-12/31/19	\$0.0510	\$18,972,742 #	\$ 970,000

* 1/1-12/31/18 level.
^v Selected the weighted average.
 # Provided by UCIP including Davis County building and contents.

PROPERTY INDICATED PURE LOSS RATE FOR 1/1-12/31/19



INDICATED CONTRIBUTIONS

FOR 1/1-12/31/19

	General					Property	Total
	Law Enforcement	Public Officials Liability	General Liability Ex PO and LE	Automobile Liability			
LOSS PROJECTION*	\$1,300,000	\$ 510,000	\$ 600,000	\$ 260,000	\$ 970,000	\$3,640,000	
FIXED EXPENSES**	\$ 710,000	\$ 310,000	\$ 260,000	\$ 340,000	\$ 910,000	\$2,530,000	
INDICATED CONTRIBUTIONS UNDISCOUNTED A + B	\$2,010,000	\$ 820,000	\$ 860,000	\$ 600,000	\$1,880,000	\$6,170,000	
INDICATED RATE	\$1,558	\$177	\$185	\$187	\$0.0991		
PROJECTED EXPOSURE BASE	1,290 Officers	4,639 Employees	4,639 Employees	3,217 Vehicles	\$18,972,742 Ins. Value (\$100s)		
CURRENT CONTRIBUTIONS#	\$1,830,000	\$ 815,000	\$ 890,000	\$ 605,000	\$2,580,000	\$6,720,000	
UNDISCOUNTED INDICATED CONTRIBUTIONS C/D - 1	+ 9.8%	+ 0.6%	- 3.4%	- 0.8%	-27.1%	- 8.2%	
LOSS PRESENT VALUE FACTOR##	0.959	0.959	0.959	0.987	0.994	0.970	
CONTRIBUTION PRESENT VALUE FACTOR^	1.000						
INDICATED CONTRIBUTIONS DISC. AT 1.0% PER ANNUM [A x F + B]/G	\$1,960,000	\$ 800,000	\$ 840,000	\$ 600,000	\$1,870,000	\$6,070,000	
INDICATED RATE	\$1,519	\$172	\$181	\$187	\$0.0986		
DISC. INDICATED CONTRIBUTIONS AT 1.0% PER ANNUM H/D - 1	+ 7.1%	- 1.8%	- 5.6%	- 0.8%	-27.5%	- 9.7%	

INDICATED CONTRIBUTIONS BY CONFIDENCE LEVEL

		Confidence Level					
		30%	Expected	70%	80%	90%	95%
A.	LOSS PROJECTION*	\$3,030,000	\$3,640,000	\$4,050,000	\$4,420,000	\$4,990,000	\$5,520,000
B.	FIXED EXPENSES**	\$2,530,000					
C.	INDICATED UNDISCOUNTED CONTRIBUTIONS A + B	\$5,560,000	\$6,170,000	\$6,580,000	\$6,950,000	\$7,520,000	\$8,050,000
D.	CURRENT CONTRIBUTIONS#	\$6,720,000					
E.	UNDISCOUNTED INDICATED CONTRIBUTIONS C/D - 1	-17.3%	- 8.2%	- 2.1%	+ 3.4%	+11.9%	+19.8%
F.	LOSS PRESENT VALUE FACTOR	0.970					
G.	CONTRIBUTIONS PRESENT VALUE FACTOR	1.000					
H.	INDICATED CONTRIBUTIONS DISC. AT 1.0% PER ANNUM [A x F + B]/G	\$5,470,000	\$6,070,000	\$6,460,000	\$6,820,000	\$7,370,000	\$7,880,000
I.	DISC. INDICATED CONTRIBUTIONS AT 1.0% PER ANNUM H/D - 1	-18.6%	- 9.7%	- 3.9%	+ 1.5%	+ 9.7%	+17.3%

ESTIMATED EXPENSES FOR 1/1-12/31/19

Expense	Law Enforcement Liability	Public Officials Liability	General Liability Ex PO and LE	Automobile Liability	Property	Total	Percent of Contributions
Reinsurance*	\$ 330,000	\$ 170,000	\$ 90,000	\$ 270,000	\$ 640,000	\$1,500,000	22.3%
Other Fixed Expenses*	380,000	140,000	170,000	70,000	270,000	1,030,000	15.3%
Fixed Expenses	\$ 710,000	\$ 310,000	\$ 260,000	\$ 340,000	\$ 910,000	\$2,530,000	37.6%

* Provided by UCIP. Allocation based on projected losses for other fixed expenses.

UTAH COUNTIES INDEMNITY POOL
2019 Rates Based on Actuarial Analysis

\$250,000 SIR											
	Automobile Liability	General Liability	Law Enforcement	Property	Public Officials Liability	Total					
Losses	\$260,000	\$600,000	\$1,300,000	\$970,000	\$510,000	\$3,640,000					
Expenses	\$70,000	\$170,000	\$380,000	\$270,000	\$140,000	\$1,030,000					
	\$330,000	\$770,000	\$1,680,000	\$1,240,000	\$650,000	\$4,670,000					
Contribution	\$329,112	\$722,981	\$1,658,150	\$1,713,054	\$606,399	\$5,029,696					
	\$250,000+						Ancillary Coverages				
	Automobile Liability	General Liability	Law Enforcement	Property	Public Officials Liability	Clash	Crime	Cyber	Defense	Terrorism	UAS
Excess	\$270,000	\$90,000	\$330,000	\$640,000	\$170,000	\$30,000	\$30,000	\$20,000	\$45,000	\$11,000	\$0
Contribution	\$272,407	\$86,367	\$351,670	\$654,214	\$167,289	\$30,243	\$30,541	\$20,125	\$45,835	\$11,204	\$48,000
											\$1,717,896
Rates	\$187	\$185	\$1,558	\$0.10	\$177	\$0.03	\$0.00	\$3.23	\$0.05	\$0.01	\$1,500
	Per Vehicle	FTE	FTE	SOV	FTE	Excess Prem	Excess Prem	FTE	Excess Prem	Excess Prem	SOV



Entity: Utah Counties Indemnity Pool

Body: Board of Directors

Subject:	Administrative Services
Notice Title:	Board of Directors Meeting
Meeting Location:	1294 S Interstate Drive Cedar City 84720
Event Date & Time:	August 22, 2018 August 22, 2018 08:30 AM - August 22, 2018 12:30 PM
Description/Agenda:	<p>Review/Approve Weber County Appointment to the Board</p> <p>Review/Excuse Board Members Absent</p> <p>Review/Approve June 28, 2018 Meeting Minutes</p> <p>Ratification/Approval of Payments and Credit Card Transactions</p> <p>Review/Approve Second Quarter Financial Statements</p> <p>Review/Approve UAC/UCIP Lease Agreement</p> <p>Review/Approve Board Compensation Policy Amendments</p> <p>Review/Approve Coverage Addendum Amendments</p> <p>Review/Approve Internal Accounting Controls Policy Amendments</p> <p>Review/Approve Pre-Loss Legal Assistance Program Policy</p> <p>Review/Approve Reimbursement Policy Amendments</p> <p>Review/Approve County Related Entities Membership</p> <p>Review/Approve 2019 Actuarial Rate Analysis</p> <p>Review/Approve 2019 Rates and Estimated Member Contributions</p> <p>Set Date and Time for Closed Meeting to Discuss Pending or Reasonably Imminent Litigation</p> <p>Action on Litigation Matters</p> <p>Set Date and Time for Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual</p> <p>Action on Personnel Matters</p> <p>Chief Executive Officer's Report</p> <p>Other Business</p>

Notice of Special Accommodations:

In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting should notify Sonya White at the Utah Counties Indemnity Pool, 5397 S Vine St, Murray, UT 84107-6757, or call 801-565-8500, at least three days prior to the meeting.

Notice of Electronic or telephone participation:

Any Member of the Utah Counties Indemnity Pool Board of Directors may participate telephonically.

Other information:**Contact Information:**

Sonya White
(801)307-2113
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Posted on:

August 17, 2018 01:02 PM

Last edited on:

August 17, 2018 01:02 PM

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UTAH COUNTIES INDEMNITY POOL

	2019 Estimated Contribution	Change Prior Year	Percent Change	Five Year Loss Ratio
Beaver	163,063	1,343	1%	155%
Box Elder	321,195	24,321	8%	60%
Daggett	53,265	-13,280	-20%	176%
Davis	802,515	31,845	4%	81%
Duchesne	286,313	44,895	19%	178%
Emery	205,380	9,372	5%	101%
Garfield	141,566	-1,551	-1%	75%
Iron	328,491	47,450	17%	107%
Juab	151,265	22,370	17%	107%
Kane	180,193	4,340	2%	74%
Millard	262,133	31,381	14%	120%
Morgan	74,833	-958	-1%	242%
Piute	33,342	4,081	14%	59%
Rich	39,308	-5,289	-12%	119%
San Juan	220,829	139	0%	110%
Sanpete	178,087	36,170	25%	85%
Sevier	217,851	15,635	8%	67%
Uintah	420,732	32,143	8%	100%
Wasatch	301,199	43,683	9%	194%
Washington	607,740	120,116	47%	109%
Wayne	54,926	-6,059	-10%	61%
Weber	1,419,742	375,652	36%	121%
Beaver County Municipal Building Authority	37,819	36,469	2701%	
Box Elder Redevelopment Agency	6,103	-13,646	-69%	
Canyonland Improvement District	1,705	-56	-3%	
Central Utah Public Health Department	23,127	-4,230	-15%	
Daggett County Redevelopment Agency	3,193	1,724	117%	
Duchesne County Municipal Building Authority	2,235	885	66%	
Duchesne/Wasatch Bluebench Landfill Special Service District	6,999	1,160	20%	
Emery County Municipal Building Authority	7,074	5,724	424%	
Five County Association of Governments	21,509	-6,552	-23%	
Iron Special Service District #1	13,351	5,375	67%	
Juab Special Service District #2	2,230	-77	-3%	
Juab Special Service Fire District	26,500	2,895	12%	
Kane County Municipal Building Authority	2,248	898	66%	
Kane County Recreation & Transportation Special Service District	1,696	-89	-5%	
Piute County Municipal Building Authority	2,204	854	63%	
Piute Special Service District #1	2,217	-65	-3%	
San Juan Spanish Valley Special Service District	2,212	712	47%	
San Juan Transportation Special Service District	1,124	-319	-22%	
Seven County Infrastructure Coalition	1,312	-5,071	-79%	
Sevier County Municipal Building Authority	2,209	859	64%	
Southeastern Utah District Health Department	21,247	440	2%	
Southwest Utah Public Health Department	37,511	-7,743	-17%	
TriCounty Health Department	18,796	-3,422	-15%	
Uintah County Municipal Building Authority	2,330	980	73%	
Utah Counties Indemnity Pool	3,426	-2,196	-39%	
Wasatch County Parks & Recreation Special Service District #21	18,103	-3,352	-16%	
Wasatch County Solid Waste Disposal District	17,932	-3,113	-15%	
Wasatch County Special Service Area #1	3,458	-1,618	-32%	
Wasatch County Special Service District #9	2,848	-1,445	-34%	
Wasatch Health Department	8,856	-4,094	-32%	
Washington County Municipal Building Authority	3,474	2,124	157%	
Washington County St George Interlocal Agency	75,088	12,459	20%	
Wayne County Municipal Building Authority	2,210	860	64%	
Wayne County Special Service District #1	2,221	-61	-3%	
Wayne County Special Service District #3	6,158	4,389	248%	
Wayne County Water Conservancy District	2,196	696	46%	
Weber County Municipal Building Authority	2,386	1,036	77%	
Weber Human Services	57,673	8,471	17%	
Weber-Morgan Health Department	44,782	-11,014	-20%	
Total Estimated Contribution	6,961,732			
Actuarial Expected	6,170,000			
Possible Equity Development	791,732			

